

**Georgian Triangle Humane Society**

**Financial Statements**  
For the year ended December 31, 2016  
(Unaudited)

**Georgian Triangle Humane Society**  
**Financial Statements**  
For the year ended December 31, 2016  
(Unaudited)

**Contents**

---

Review Engagement Report	2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Operations and Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6

---

## Review Engagement Report

---

To the Board of Directors of  
Georgian Triangle Humane Society

We have reviewed the statement of financial position of Georgian Triangle Humane Society as at December 31, 2016 and the statements of operations and net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

In common with many charitable organizations, the organization derives part of its income from the general public in the form of donations and fundraising programs which are not susceptible to complete verification. Accordingly, our review of revenue from these sources was limited to accounting for the amounts recorded in the records of the organization.

Based on our review, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to revenue referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Collingwood, Ontario  
March 23, 2017

**Georgian Triangle Humane Society**  
**Statement of Financial Position**  
**(Unaudited)**

December 31 2016 2015

**Assets**

**Current**

Cash and bank	\$	362,385	\$	320,027
Accounts receivable		37,934		28,149
Inventories		15,296		10,801
Prepaid expenses		1,208		204
		416,823		359,181

Capital (Note 2)		866,575		883,061
------------------	--	---------	--	---------

	\$	1,283,398	\$	1,242,242
--	----	-----------	----	-----------

**Liabilities**

**Current**

Accounts payable and accrued liabilities	\$	62,406	\$	39,525
Deferred contributions (Note 4)		46,297		78,841
		108,703		118,366

Deferred capital contributions (Note 5)		747,872		755,834
---	--	---------	--	---------

		856,575		874,200
--	--	---------	--	---------

Commitment (Note 7)

<b>Net Assets</b>		426,823		368,042
-------------------	--	---------	--	---------

	\$	1,283,398	\$	1,242,242
--	----	-----------	----	-----------

Approved on behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**Georgian Triangle Humane Society**  
**Statement of Operations and Net Assets**  
**(Unaudited)**

For the year ended December 31	2016	2015
<b>Revenue</b>		
Donations	\$ 277,761	\$ 246,685
Fundraising - Treasure Tails	185,126	162,609
Fundraising - Retail Store	60,273	56,806
Fundraising - Other	111,176	97,956
Grants	6,705	2,000
Legacies and bequests	4,000	10,000
Services	45,808	40,367
Interest	2,529	2,518
Amortization of deferred capital contributions (Note 5)	39,588	35,950
	<u>732,966</u>	<u>654,891</u>
<b>Expenses</b>		
Accommodation and pet care	19,331	17,841
Advertising and sales promotion	6,901	6,719
Amortization	48,111	49,221
Bank charges	10,029	8,581
Fundraising - Treasure Tails	50,763	22,162
Fundraising - Retail store	47,106	37,359
Fundraising - Other	21,283	25,346
Insurance	10,186	7,654
Memberships	1,799	1,123
Office, telephone and general	25,756	31,176
Professional fees	9,600	8,405
Repairs and maintenance	918	3,601
Salaries and wages	232,613	204,986
Travel	2,221	2,243
Utilities	27,135	24,373
Veterinary	160,433	155,766
	<u>674,185</u>	<u>606,556</u>
<b>Excess of revenue over expenses for the year</b>	<b>58,781</b>	<b>48,335</b>
<b>Net assets, beginning of year</b>	<b>368,042</b>	<b>319,707</b>
<b>Net assets, end of year</b>	<b>\$ 426,823</b>	<b>\$ 368,042</b>

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

**Georgian Triangle Humane Society**  
**Statement of Cash Flows**  
**(Unaudited)**

For the year ended December 31	2016	2015
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	\$ 58,781	\$ 48,335
Items not involving cash:		
Amortization of capital assets	48,111	49,221
Amortization of deferred capital contributions	(39,588)	(35,950)
	67,304	61,606
 Changes in non-cash working capital balances		
Accounts receivable	(9,785)	1,623
Inventories	(4,495)	(3,834)
Prepaid expenses	(1,004)	1,316
Accounts payable and accrued liabilities	22,882	(12,393)
Deferred contributions	(32,545)	(27,079)
Deferred capital contributions	31,626	28,556
	73,983	49,795
 <b>Investing activities</b>		
Capital assets acquisitions	(31,625)	(28,556)
Proceeds on sale of capital assets	-	400
Proceeds on sale of short-term investments	-	50,867
	(31,625)	22,711
 Increase in cash and bank during the year	 42,358	 72,506
Cash and bank, beginning of year	320,027	247,521
<b>Cash and bank, end of year</b>	<b>\$ 362,385</b>	<b>\$ 320,027</b>

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

---

**Georgian Triangle Humane Society**  
**Notes to Financial Statements**  
**(Unaudited)**

December 31, 2016

---

**1. Summary of Significant Accounting Policies**

<b>Nature and Purpose</b>	<p>The organization is a non-profit organization incorporated without share capital under the laws of Ontario.</p> <p>The organization was formed to provide shelter and care for lost, stray, unwanted or abandoned animals in the communities of Wasaga Beach, Stayner, Creemore, Collingwood, The Blue Mountains, Thornbury, Clarksburg, Meaford and the surrounding areas.</p> <p>The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.</p>										
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>										
<b>Revenue Recognition</b>	<p>Georgian Triangle Humane Society follows the deferral method of accounting for contributions.</p> <p>Contributions relating to depreciable capital assets are deferred and amortized over the useful life of the depreciable capital asset acquired.</p> <p>Contributions relating to non-depreciable assets are recognized as direct increases to net assets.</p> <p>Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.</p> <p>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.</p> <p>Service revenues are recognized at the time the service is provided and collection is reasonably assured.</p>										
<b>Capital Assets</b>	<p>Capital assets are stated at cost less accumulated amortization. Amortization, based on the estimated useful life of the asset, is calculated as follows:</p> <table><tr><td>Building</td><td>4% declining balance basis</td></tr><tr><td>Shelter equipment</td><td>20% declining balance basis</td></tr><tr><td>Vehicle</td><td>30% declining balance basis</td></tr><tr><td>Computer hardware</td><td>45% declining balance basis</td></tr><tr><td>Computer software</td><td>100% declining balance basis</td></tr></table>	Building	4% declining balance basis	Shelter equipment	20% declining balance basis	Vehicle	30% declining balance basis	Computer hardware	45% declining balance basis	Computer software	100% declining balance basis
Building	4% declining balance basis										
Shelter equipment	20% declining balance basis										
Vehicle	30% declining balance basis										
Computer hardware	45% declining balance basis										
Computer software	100% declining balance basis										

Continued...

---

**Georgian Triangle Humane Society  
Notes to Financial Statements  
(Unaudited)**

December 31, 2016

---

**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 revenues and expenses during the reporting period. The amounts recorded for estimated useful life of capital assets and accrued liabilities are based on management's best estimates. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Contributed Materials and Services**

The organization may recognize contributions of materials and services if the fair value can be reasonably estimated, the materials and services are used in the normal course of its operations and would otherwise have been purchased.

**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 on the acquisition, sale or issue of financial instruments are charged to the financial instrument.

---



---

**Georgian Triangle Humane Society  
Notes to Financial Statements  
(Unaudited)**

**December 31, 2016**

---

**2. Capital Assets**

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	\$ 1,054,785	\$ 233,356	\$ 1,039,810	\$ 199,442
Shelter equipment	54,311	22,879	38,811	16,958
Computer hardware	9,030	7,060	8,480	5,674
Computer software	7,919	7,620	7,319	5,635
Vehicle	19,235	7,790	19,235	2,885
	<u>\$ 1,145,280</u>	<u>\$ 278,705</u>	<u>\$ 1,113,655</u>	<u>\$ 230,594</u>
Net book value		<u>\$ 866,575</u>		<u>\$ 883,061</u>

The building is situated on land owned by the Town of Collingwood.

---

**3. Related Party**

Management and directors were reimbursed for certain administrative costs. These transactions were in the normal course of operations and were measured at the exchange amount.

---

**4. Deferred Contributions**

Deferred contributions represent donations restricted by the funding individual or organization for future use towards the purchase of capital assets. They are reduced by amounts spent towards the building either for repairs or additions and purchase of capital assets. See Note 5.

---

---

**Georgian Triangle Humane Society  
Notes to Financial Statements  
(Unaudited)**

**December 31, 2016**

---

**5. Deferred Capital Contributions**

Deferred capital contributions represent restricted contributions that have been used for the construction of the new building and additions thereon. Beginning in 2015, the board expanded the designation of contributions towards other capital asset purchases.

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 755,834	\$ 763,228
Deferred contributions for capital additions	31,626	28,556
Amortization of deferred capital contributions	<u>(39,588)</u>	<u>(35,950)</u>
Balance, end of year	<u>\$ 747,872</u>	<u>\$ 755,834</u>

---

**6. Contributed Materials and Services**

The organization receives goods and services from its members and the community.

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Additionally, the organization has a land lease from the Town of Collingwood at a nominal value of \$2 per year. The lease of commercial space for Treasure Tails has been recognized at the amount paid, which consists of maintenance, interest and taxes only (Note 7).

The fair values of these contributions cannot be reasonably estimated and have therefore not been recognized in the financial statements.

---

---

**Georgian Triangle Humane Society  
Notes to Financial Statements  
(Unaudited)**

**December 31, 2016**

---

**7. Commitments**

The organization has an operating lease for the Treasure Tails premises at \$2,259 per month plus common area fees at \$1,054, under a lease expiring in December 2021.

The minimum annual lease payments for the next five years are as follows:

2017	\$	39,754
2018	\$	39,754
2019	\$	39,754
2020	\$	39,754
2021	\$	39,754

---

---

**Georgian Triangle Humane Society**  
**Notes to Financial Statements**  
**(Unaudited)**

**December 31, 2016**

---

**8. Financial Instrument Risk**

The organization is exposed to risks that arise from its use of financial instruments. This note describes the organization's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive change in the organization's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to this risk on its high interest savings account.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or from financial obligations which have the similar economic characteristics such that they could be similarly affected by changes in economic conditions. The company's financial instruments that are exposed to concentrations of credit risk are accounts receivable, government remittances receivable and holding all bank accounts with one financial institution. Mitigating the risk relating to the receivable balances is a historic trend of no collection issues as receivable balances are all from municipalities with no history of defaulting on obligations. All of the company's cash is held at one credit union. The Canadian Deposit Insurance Corporation (CDIC) insures Canadian current bank accounts and investments at a single financial institution to a maximum of \$100,000.

**Liquidity risk**

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises primarily from accounts payable and accrued liabilities.

---