

THE GUELPH HUMANE SOCIETY INCORPORATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

THE GUELPH HUMANE SOCIETY INCORPORATED
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Changes in Net Assets	6
Statement of Revenues and Expenditures	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 14

INDEPENDENT AUDITOR'S REPORT

To the Members of: The Guelph Humane Society Incorporated

Qualified Opinion

We have audited the accompanying financial statements of The Guelph Humane Society Incorporated, which comprise the statement of financial position as at December 31, 2021 and the statements of revenues and expenditures, 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 effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of The Guelph Humane Society Incorporated as at December 31, 2021 and the results of its operations and its cash flows for the 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 organization derives some of the revenues from cash sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, net surplus (deficit) for the year and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Guelph Humane Society Incorporated 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 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 judgement 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 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.



Guelph, Ontario
April 27, 2022

Chartered Professional Accountants
Licensed Public Accountants

THE GUELPH HUMANE SOCIETY INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 838,692	\$ 1,159,015
Accounts receivable	228,547	120,492
Wage subsidy receivable (note 9)	0	46,245
Government remittances recoverable	236,875	531,992
Inventory	1,459	1,459
Prepaid expenses	<u>37,908</u>	<u>25,599</u>
	1,343,481	1,884,802
INVESTMENTS (note 5)	1,195,901	1,365,228
CAPITAL ASSETS (note 4)	<u>9,602,643</u>	<u>7,866,076</u>
	<u>\$ 12,142,025</u>	<u>\$ 11,116,106</u>
LIABILITIES		
CURRENT		
Construction loan (note 6)	\$ 0	\$ 2,452,648
Accounts payable and accrued liabilities	176,688	909,731
Government remittances payable	11,872	23,936
Deferred contributions (note 10)	150,896	28,425
Current portion of long term debt (note 8)	<u>1,045,644</u>	<u>0</u>
	1,385,100	3,414,740
LONG TERM DEBT (note 8)	<u>460,479</u>	<u>30,000</u>
	<u>1,845,579</u>	<u>3,444,740</u>
NET ASSETS		
UNRESTRICTED	9,476,409	6,197,524
EXTERNALLY RESTRICTED	281,777	935,582
INTERNALLY RESTRICTED (note 12)	194,578	194,578
ENDOWMENT (note 13)	<u>343,682</u>	<u>343,682</u>
	<u>10,296,446</u>	<u>7,671,366</u>
	<u>\$ 12,142,025</u>	<u>\$ 11,116,106</u>

THE GUELPH HUMANE SOCIETY INCORPORATED
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund (Unrestricted)	Animal Services (Unrestricted)	Capital (Externally Restricted)	Duke's Fund (Externally Restricted)	Internally Restricted (note 12)	Endowment Funds (note 13)	2021 Total	2020 Total
NET ASSETS, beginning of year	\$ 6,360,140	\$ (162,616)	\$ 747,951	\$ 187,631	\$ 194,578	\$ 343,682	\$ 7,671,366	\$ 4,773,711
Net surplus (deficit) for the year	389,747	(22,396)	2,278,730	(21,001)	0	0	2,625,080	2,897,655
Transfers (note 7)	<u>2,911,534</u>	<u>0</u>	<u>(2,911,534)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 9,661,421</u>	<u>\$ (185,012)</u>	<u>\$ 115,147</u>	<u>\$ 166,630</u>	<u>\$ 194,578</u>	<u>\$ 343,682</u>	<u>\$ 10,296,446</u>	<u>\$ 7,671,366</u>

THE GUELPH HUMANE SOCIETY INCORPORATED
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund (Unrestricted)	Animal Services (Unrestricted)	Capital Fund (Externally Restricted)	Duke's Fund (Externally Restricted)	2021 Total	2020 Total
REVENUES						
Donations	\$ 752,195	\$ 0	\$ 2,644,904	\$ 46,176	\$ 3,443,275	\$ 2,862,309
Fee for service	471,035	355,115	0	0	826,150	811,156
Bequests	558,653	0	0	0	558,653	150,333
Grants	216,171	0	14,133	0	230,304	293,746
Fundraising activities	169,872	0	43,304	0	213,176	26,945
Adoptions and surrenders	164,798	81	0	0	164,879	194,993
Government assistance (note 9)	62,149	14,082	2,432	0	78,663	332,437
Boarding income	67,928	0	0	0	67,928	16,725
Investment income	55,031	0	0	0	55,031	27,516
Transfer charges	18,100	0	0	0	18,100	17,000
Other	9,950	4,535	0	0	14,485	16,721
	<u>2,545,882</u>	<u>373,813</u>	<u>2,704,773</u>	<u>46,176</u>	<u>5,670,644</u>	<u>4,749,881</u>
EXPENDITURES						
Salaries and benefits	1,239,593	325,779	35,107	0	1,600,479	1,421,888
Office	238,279	3,916	43,497	0	285,692	147,070
Veterinary	215,843	0	0	67,177	283,020	213,124
Amortization	0	0	174,110	0	174,110	14,188
Supplies	161,289	5,838	2,236	0	169,363	164,651
Interest on long term debt (note 6)	0	0	90,893	0	90,893	29,280
Fundraising activities	72,156	0	15,240	0	87,396	11,879
Repairs and maintenance	51,869	6,715	20,099	0	78,683	31,399
Utilities	41,846	19,087	15,404	0	76,337	33,445
Facilities	62,590	0	0	0	62,590	18,887
Automotive	10,879	29,041	0	0	39,920	28,624
Insurance	24,472	5,721	81	0	30,274	19,171
Professional fees	26,920	0	0	0	26,920	30,674
Advertising	10,399	112	8,543	0	19,054	13,572
Revaluation of asset retirement obligation	0	0	0	0	0	(85,626)
Loss on sale of capital assets	0	0	20,833	0	20,833	0
	<u>2,156,135</u>	<u>396,209</u>	<u>426,043</u>	<u>67,177</u>	<u>3,045,564</u>	<u>2,092,226</u>
OPERATING SURPLUS (DEFICIT)	389,747	(22,396)	2,278,730	(21,001)	2,625,080	2,657,655
SETTLEMENT INCOME	0	0	0	0	0	240,000
NET SURPLUS (DEFICIT) for the year	<u>\$ 389,747</u>	<u>\$ (22,396)</u>	<u>\$ 2,278,730</u>	<u>\$ (21,001)</u>	<u>\$ 2,625,080</u>	<u>\$ 2,897,655</u>

See notes to the financial statements

THE GUELPH HUMANE SOCIETY INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Surplus for the year	\$ 2,625,080	\$ 2,897,655
Items not requiring an outlay of cash		
Amortization	174,110	14,188
Loss on sale of capital assets	20,833	0
Accretion (recovery) expense	0	(85,626)
Unrealized gain on investments	(34,703)	(5,784)
Donated investments	(49,819)	0
	<u>2,735,501</u>	<u>2,820,433</u>
Changes in non-cash working capital		
Accounts receivable	(108,055)	181,639
Prepaid expenses	(12,309)	(6,873)
Wage subsidy receivable	46,245	(46,245)
Accounts payable and accrued liabilities	(733,043)	705,789
Government remittances recoverable (payable)	283,053	(423,151)
Deferred contributions	122,471	(15,683)
	<u>2,333,863</u>	<u>3,215,909</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Advance of construction loan	869,622	2,452,648
Repayment of construction loan	(3,322,270)	0
Advance of long term debt	1,990,409	30,000
Repayment of long term debt	(514,286)	0
	<u>(976,525)</u>	<u>2,482,648</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to capital assets	(1,935,010)	(5,573,534)
Redemption of investments	265,954	367,079
Purchases of investments	(12,105)	0
Proceeds on disposal of capital assets	3,500	0
	<u>(1,677,661)</u>	<u>(5,206,455)</u>
NET (DECREASE) INCREASE IN CASH	(320,323)	492,102
NET CASH, BEGINNING OF YEAR	<u>1,159,015</u>	<u>666,913</u>
NET CASH, END OF YEAR	<u><u>\$ 838,692</u></u>	<u><u>\$ 1,159,015</u></u>

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. NATURE OF OPERATIONS

The Guelph Humane Society Incorporated (the "organization") is a not-for-profit organization incorporated under the laws of Ontario without share capital and is a registered charity under the Income Tax Act. The organization is exempt from income tax. Its purpose is to promote the welfare of all animals, and prevent cruelty and suffering. The organization provides care and shelter for homeless, stray, and abused animals. Its services include animal sheltering, surrender and adoption, pet identification, lost pet returns, veterinary care and a progressive spay and neuter program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Buildings	- 30 years straight line basis
Cat cages	- 20 years straight line basis
Computer equipment	- 3 years straight line basis
Furniture and equipment	- 10 years straight line basis
Vehicles	- 5 years straight line basis

Amortization is recorded at 50% of the above rates in the year of addition.

(b) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include the useful lives of capital assets. Actual results could differ from those estimates.

(d) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equities and mutual funds, which are measured at fair value. Changes in fair value are recognized in net surplus.

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FINANCIAL INSTRUMENTS (continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net surplus in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(e) CONTRIBUTED MATERIALS AND SERVICES

Contributed materials, used in the normal course of operations, are recognized in the financial statements when the fair value can be reasonably estimated and the materials would otherwise have been purchased.

(f) FUND ACCOUNTING

General fund

The unrestricted general fund reports resources available for the organization's various operating activities.

Judy Lacina memorial reserve

This endowment is funded through contributions donated in memory of Judy Lacina and require the donated amounts to be permanently maintained. The interest income only is permitted to be used for special medical expenses for animals of the shelter that are not otherwise reimbursed.

Sue Porter memorial reserve

This endowment is funded through contributions donated in memory of Sue Porter and require the donated amounts to be permanently maintained. The interest income only is permitted to be used to support humane education and spay/neuter programs.

Elsie Jones memorial reserve

This endowment is funded through contributions donated in memory of Elsie Jones and require the donated amounts to be permanently maintained. The interest income only is permitted to be used to support spay/neuter programs.

Wade Townsend memorial reserve

This endowment is funded through contributions donated in memory of Wade Townsend and require the donated amounts to be permanently maintained. The interest income only is permitted to be used to support spay/neuter programs.

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) FUND ACCOUNTING (continued)

General reserve

The internally restricted general reserve is to stabilize the organization's finances by providing a cushion against unexpected events, losses of income and large unbudgeted expenses.

Capital and equipment reserve

The internally restricted capital and equipment reserve is to be used to invest in equipment, software and capital upgrades, as needed, to support the overall operations of the organization.

Capital fund

The externally restricted capital fund is funded from special projects and donations designated for capital uses.

Duke's reserve

The externally restricted duke's reserve is funded from special projects and donations, and is to be used for special medical expenses for animals of the shelter that are not otherwise reimbursed.

Animal services fund

The unrestricted animal services fund reports resources that are related to animal services and enforces animal by-laws in the City of Guelph, Township of Centre Wellington and the Township of Guelph-Eramosa. Animal services refers to the enforcement of outlined animal by-laws for each city or township.

(g) REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the unrestricted general fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the unrestricted general fund when received or receivable and collection is reasonably assured.

Restricted and unrestricted investment income is recognized when revenue is earned.

Contract based fee for service revenue is recognized in the period to which the contract relates.

The organization makes periodic applications for financial assistance under government incentive programs. Government assistance received during the year for current expenses is included in the determination of net surplus for the year.

All other revenues are recognized according to when the service is performed, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the price is fixed or determinable.

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from its financial instruments.

The extent of the organization's exposure to these risks did not change in 2021 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the organization to certain financial risks and uncertainties. These risks include:

Market risk

Market risk is the risk that the fair value or future cash flows of the organization's financial instruments will fluctuate because of changes in market prices. Some of the organization's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

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 interest rate risk as a result of the variable interest rate on long term debt.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency 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 organization is exposed to other price risk on investments.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2021	Net 2020
Buildings	\$ 8,319,603	\$ 138,660	\$ 8,180,943	\$ 6,698,286
Cat cages	250,700	6,268	244,432	24,333
Computer equipment	64,753	38,120	26,633	22,401
Furniture and equipment	184,632	26,784	157,848	120,010
Land	963,882	0	963,882	963,882
Vehicles	<u>119,379</u>	<u>90,474</u>	<u>28,905</u>	<u>37,164</u>
	<u>\$ 9,902,949</u>	<u>\$ 300,306</u>	<u>\$ 9,602,643</u>	<u>\$ 7,866,076</u>

5. INVESTMENTS

Investments consist of equities and mutual funds. The book value of investments is \$1,161,198 at year end (2020 - \$1,342,913).

THE GUELPH HUMANE SOCIETY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

6. CONSTRUCTION LOAN

The organization utilized \$0 (2020 - \$2,452,648) of an authorized construction financing demand loan with a limit up to a maximum of \$4,500,000. The loan incurred interest at prime plus 1.0% and was secured by the buildings disclosed in note 4, a general security agreement and a \$100,000 cash collateral to be held in a term deposit. This loan was converted to the two loans disclosed in note 8 during the year and interest incurred was \$80,064 (2020 - \$29,280).

7. INTERFUND LOANS AND TRANSFERS

A transfer of \$2,911,534 from the capital fund to the general fund was authorized in the year for capital additions and loans. A transfer was approved to close the feline reserve fund and transfer the balance to the general reserve fund. An additional transfer was approved to close the automotive, equipment and communications reserves and transfer the balances to the capital and equipment reserve.

8. LONG TERM DEBT

	2021	2020
BMO loan, maturing September 2022, repayable in monthly instalments of \$5,540, 2.31% interest, secured by a lien on building, with a carrying value of \$8,180,943	\$ 988,037	\$ 0
BMO loan, due March 2040, repayable in monthly instalments of \$6,100, BMO prime + 1% interest, secured by a lien on building, with a carrying value of \$8,180,943	488,086	0
CEBA loan	<u>30,000</u>	<u>30,000</u>
	1,506,123	30,000
Less current portion:		
Cash repayments required within 12 months	<u>1,045,644</u>	<u>0</u>
	<u>\$ 460,479</u>	<u>\$ 30,000</u>

Included in long term liabilities at year end is the repayable portion of the Canada Emergency Business Account (CEBA) loan balance of \$30,000, which is interest free until December 31, 2023, with 5% interest payments required afterward until principal due on December 31, 2025. If repaid by December 31, 2023, 25% of the \$40,000 principal will be forgiven. As the organization expects to meet these terms, \$10,000 was recorded in government assistance revenues in 2020.

Future minimum payments on long term obligations are as follows:

2022	\$ 1,045,644
2023	89,517
2024	61,603
2025	63,762
2026	65,997
Thereafter	<u>179,600</u>
	<u>\$ 1,506,123</u>

9. GOVERNMENT SUBSIDIES

During the current year, the organization received the Canada Emergency Wage Subsidy (CEWS). \$78,663 (2020 - \$297,437) is recorded in government assistance revenues, and \$0 (2020 - \$46,245) of the CEWS is receivable at year end.

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

10. DEFERRED CONTRIBUTIONS

Deferred contributions, which consist of the unexpended portion of grants received or grants that relate to future periods, are as follows:

	2021	2020
Balance, beginning of the year	\$ 28,425	\$ 44,108
Plus amount received during the year	181,424	25,209
Less amount recognized as revenue in the year	<u>(58,953)</u>	<u>(40,892)</u>
Balance, end of year	<u>\$ 150,896</u>	<u>\$ 28,425</u>

11. CONTINGENT LOSS

Subsequent to year end but prior to these financial statements being issued, the organization received an invoice for \$178,921 dated in 2021 that is believed to be inaccurate. This invoice is being disputed and the vendor has been sent a notice of non-payment. As the outcome of this matter is not determinable as of the date of the financial statements, it has not been recorded at year end.

12. INTERNALLY RESTRICTED FUNDS

Internally restricted funds consist of the following reserves:

	2021	2020
Capital and equipment reserve	\$ 172,573	\$ 0
General reserve	22,005	0
Automotive reserve	0	102,766
Equipment reserve	0	33,797
Communications reserve	0	36,010
Feline reserve	<u>0</u>	<u>22,005</u>
	<u>\$ 194,578</u>	<u>\$ 194,578</u>

13. ENDOWMENT FUNDS

Endowment funds consist of the following reserves:

	2021	2020
Sue Porter Memorial Reserve	\$ 283,290	\$ 283,290
Elsie Jones Memorial Reserve	30,000	30,000
Wade Townsend Memorial Reserve	25,027	25,027
Judy Lacina Memorial Reserve	<u>5,365</u>	<u>5,365</u>
	<u>\$ 343,682</u>	<u>\$ 343,682</u>

14. MATERIAL UNCERTAINTY DUE TO THE NOVEL CORONAVIRUS (COVID-19)

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all services.