

THE GUELPH HUMANE SOCIETY INCORPORATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

THE GUELPH HUMANE SOCIETY INCORPORATED
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YEAR ENDED DECEMBER 31, 2022

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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, 2022 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 possible 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, 2022 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 (deficit) surplus for the year and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 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 26, 2023

Chartered Professional Accountants
Licensed Public Accountants

THE GUELPH HUMANE SOCIETY INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 699,954	\$ 838,692
Accounts receivable	102,829	228,547
Government remittances recoverable	93,065	236,875
Inventory	1,459	1,459
Prepaid expenses	<u>43,448</u>	<u>37,908</u>
	940,755	1,343,481
INVESTMENTS (note 5)	1,090,751	1,195,901
CAPITAL ASSETS (note 4)	<u>9,356,732</u>	<u>9,602,643</u>
	<u>\$ 11,388,238</u>	<u>\$ 12,142,025</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 333,623	\$ 176,688
Government remittances payable	0	11,872
Deferred contributions (note 10)	68,135	150,896
Current portion of long term debt (note 8)	<u>1,072,377</u>	<u>1,045,644</u>
	1,474,135	1,385,100
LONG TERM DEBT (note 8)	<u>0</u>	<u>460,479</u>
	<u>1,474,135</u>	<u>1,845,579</u>
NET ASSETS		
UNRESTRICTED	9,202,894	9,476,409
EXTERNALLY RESTRICTED	172,949	281,777
INTERNALLY RESTRICTED (note 13)	194,578	194,578
ENDOWMENT (note 14)	<u>343,682</u>	<u>343,682</u>
	<u>9,914,103</u>	<u>10,296,446</u>
	<u>\$ 11,388,238</u>	<u>\$ 12,142,025</u>

THE GUELPH HUMANE SOCIETY INCORPORATED
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund (Unrestricted)	Animal Services (Unrestricted)	Capital (Externally Restricted)	Duke's Fund (Externally Restricted)	Internally Restricted (note 13)	Endowment Funds (note 14)	2022 Total	2021 Total
NET ASSETS, beginning of year	\$ 9,661,421	\$ (185,012)	\$ 115,147	\$ 166,630	\$ 194,578	\$ 343,682	\$ 10,296,446	\$ 7,671,366
Net (deficit) surplus for the year	(347,264)	(5,137)	(36,261)	6,319	0	0	(382,343)	2,625,080
Transfers (note 7)	<u>78,886</u>	<u>0</u>	<u>(78,886)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 9,393,043</u>	<u>\$ (190,149)</u>	<u>\$ 0</u>	<u>\$ 172,949</u>	<u>\$ 194,578</u>	<u>\$ 343,682</u>	<u>\$ 9,914,103</u>	<u>\$ 10,296,446</u>

See notes to the financial statements

THE GUELPH HUMANE SOCIETY INCORPORATED
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund (Unrestricted)	Animal Services (Unrestricted)	Capital Fund (Externally Restricted)	Duke's Fund (Externally Restricted)	2022 Total	2021 Total (note 15)
REVENUES						
Donations	\$ 756,686	\$ 0	\$ 340,331	\$ 55,144	\$ 1,152,161	\$ 3,508,275
Fee for service	493,188	372,053	0	0	865,241	826,150
Bequests	311,773	0	0	18,319	330,092	558,653
Grants (note 12)	299,838	0	0	0	299,838	230,304
Adoptions and surrenders	193,075	0	0	0	193,075	164,879
Fundraising and events	179,420	0	0	0	179,420	130,176
Transfer charges	17,700	0	0	0	17,700	18,100
Boarding income	14,632	0	0	0	14,632	67,928
Other	10,453	660	0	0	11,113	14,485
Government assistance (note 9)	0	0	0	0	0	78,663
Investment (loss) income	(58,177)	0	0	0	(58,177)	55,031
	<u>2,218,588</u>	<u>372,713</u>	<u>340,331</u>	<u>73,463</u>	<u>3,005,095</u>	<u>5,652,644</u>
EXPENDITURES						
Salaries and benefits	1,365,457	331,330	0	0	1,696,787	1,600,479
Amortization	0	0	333,814	0	333,814	174,110
Veterinary	266,383	153	0	67,144	333,680	283,020
Office	257,243	5,654	0	0	262,897	282,145
Supplies	196,760	6,146	0	0	202,906	172,910
Fundraising activities	116,649	0	0	0	116,649	69,396
Repairs and maintenance	116,490	0	0	0	116,490	78,683
Utilities	81,729	0	0	0	81,729	76,337
Professional fees	55,528	325	0	0	55,853	26,920
Facilities	54,257	35	0	0	54,292	62,590
Interest on long term debt	0	0	47,335	0	47,335	90,893
Automotive	5,666	28,767	0	0	34,433	39,920
Insurance	26,298	5,440	0	0	31,738	30,274
Advertising	23,392	0	4,443	0	27,835	19,054
(Gain) loss on sale of capital assets	0	0	(9,000)	0	(9,000)	20,833
	<u>2,565,852</u>	<u>377,850</u>	<u>376,592</u>	<u>67,144</u>	<u>3,387,438</u>	<u>3,027,564</u>
NET (DEFICIT) SURPLUS for the year	<u>\$ (347,264)</u>	<u>\$ (5,137)</u>	<u>\$ (36,261)</u>	<u>\$ 6,319</u>	<u>\$ (382,343)</u>	<u>\$ 2,625,080</u>

See notes to the financial statements

THE GUELPH HUMANE SOCIETY INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
(Deficit) surplus for the year	\$ (382,343)	\$ 2,625,080
Items not requiring an outlay of cash		
Amortization	333,814	174,110
(Gain) loss on sale of capital assets	(9,000)	20,833
Unrealized loss (gain) on investments	68,677	(34,703)
Donated investments	<u>(2,573)</u>	<u>(49,819)</u>
	8,575	2,735,501
Changes in non-cash working capital		
Accounts receivable	125,718	(108,055)
Prepaid expenses	(5,540)	(12,309)
Wage subsidy receivable	0	46,245
Accounts payable and accrued liabilities	156,935	(733,043)
Government remittances recoverable (payable)	131,938	283,053
Deferred contributions	<u>(82,761)</u>	<u>122,471</u>
	<u>334,865</u>	<u>2,333,863</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Advance of construction loan	0	869,622
Repayment of construction loan	0	(3,322,270)
Advance of long term debt	1,053,879	1,990,409
Repayment of long term debt	<u>(1,487,625)</u>	<u>(514,286)</u>
	<u>(433,746)</u>	<u>(976,525)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to capital assets	(87,903)	(1,935,010)
Redemption of investments	39,046	265,954
Purchases of investments	0	(12,105)
Proceeds on disposal of capital assets	<u>9,000</u>	<u>3,500</u>
	<u>(39,857)</u>	<u>(1,677,661)</u>
NET DECREASE IN CASH	(138,738)	(320,323)
NET CASH, BEGINNING OF YEAR	<u>838,692</u>	<u>1,159,015</u>
NET CASH, END OF YEAR	<u>\$ 699,954</u>	<u>\$ 838,692</u>

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, unless otherwise noted below.

Investments in equity instruments that are quoted in an active market 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, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FINANCIAL INSTRUMENTS (continued)

Impairment

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there are, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be 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

Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(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, 2022

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, 2022

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 2022 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:

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the organization by failing to discharge an obligation. The organization's credit risk is mainly related to accounts receivable.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk as a result of current assets exceeding current liabilities. The organization controls liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

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 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.

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2022	Net 2021
Buildings	\$ 8,368,508	\$ 416,795	\$ 7,951,713	\$ 8,180,943
Cat cages	250,700	18,803	231,897	244,432
Computer equipment	66,044	52,700	13,344	26,633
Furniture and equipment	186,251	43,481	142,770	157,848
Land	963,882	0	963,882	963,882
Vehicles	<u>125,798</u>	<u>72,672</u>	<u>53,126</u>	<u>28,905</u>
	<u>\$ 9,961,183</u>	<u>\$ 604,451</u>	<u>\$ 9,356,732</u>	<u>\$ 9,602,643</u>

During the year, the organization acquired an HVAC system add-on for \$48,905 which is included under buildings. The organization also purchased a new vehicle for \$36,088 and received proceeds on disposal of the previous vehicle of \$9,000.

5. INVESTMENTS

Investments consist of equities, fixed income and mutual funds. The book value of investments is \$1,159,427 at year end (2021 - \$1,161,198).

6. LINE OF CREDIT

During the year, the organization obtained a line of credit of \$500,000 from BMO. Interest is calculated monthly at prime plus 1.25%. In 2022, the organization used \$0 of this line of credit.

7. INTERFUND LOANS AND TRANSFERS

A transfer of \$78,886 (2021 - \$2,911,534) from the capital fund to the general fund was authorized in the year for capital additions and loan repayment.

8. LONG TERM DEBT

	2022	2021
BMO loan, matured 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 in 2021	\$ 0	\$ 988,037
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 in 2021, consolidated in 2022	0	488,086
BMO loan, maturing September 2023, repayable in monthly instalments of \$8,307, 6.32% interest, secured by a lien on building, with a carrying value of \$7,951,713	1,042,377	0
CEBA loan	<u>30,000</u>	<u>30,000</u>
	1,072,377	1,506,123
Less current portion:		
Cash repayments required within 12 months	<u>1,072,377</u>	<u>1,045,644</u>
	<u>\$ 0</u>	<u>\$ 460,479</u>

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

8. LONG TERM DEBT (continued)

During the year, the organization made principal payments on the long term debt in the amount of \$433,746.

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:

2023	<u>\$ 1,072,377</u>
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9. GOVERNMENT ASSISTANCE

During the previous year, the organization received the Canada Emergency Wage Subsidy (CEWS). \$78,663 was recorded in government assistance revenue.

10. DEFERRED CONTRIBUTIONS

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

	2022	2021
Balance, beginning of the year	\$ 150,896	\$ 28,425
Plus amount received during the year	165,931	181,424
Less amount recognized as revenue in the year	<u>(248,692)</u>	<u>(58,953)</u>
Balance, end of year	<u>\$ 68,135</u>	<u>\$ 150,896</u>

11. CONTINGENT LOSS

During the year, the organization received an updated invoice for \$270,540 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. GRANTS

Grant revenue consists of the following:

	2022	2021
City of Guelph	\$ 150,000	\$ 150,000
PetSmart	114,688	39,583
Ontario Trillium Fund	19,533	0
Other	<u>15,617</u>	<u>40,721</u>
	<u>\$ 299,838</u>	<u>\$ 230,304</u>

THE GUELPH HUMANE SOCIETY INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

13. INTERNALLY RESTRICTED FUNDS

Internally restricted funds consist of the following reserves:

	2022	2021
Capital and equipment reserve	\$ 172,573	\$ 172,573
General reserve	<u>22,005</u>	<u>22,005</u>
	<u>\$ 194,578</u>	<u>\$ 194,578</u>

14. ENDOWMENT FUNDS

Endowment funds consist of the following reserves:

	2022	2021
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>

15. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform to the current year's presentation.

16. IMPACT OF THE COVID-19 PANDEMIC

As the pandemic continues to evolve with the emergence of new variants, organizations may experience conditions often associated with general economic downturn, including but not limited to, financial market volatility, declining credit, potential return of government intervention, changes in labour markets, and other restructuring activities. The continuation of these circumstances could have a negative impact on an organization's financial conditions and results. Further, inflation, supply-chain disruptions, and labour shortages are affecting organizations to varying degrees.

The ongoing impact of the COVID-19 pandemic and the uncertain economic conditions affecting major markets and economies still remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the organization for future periods.