



## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Oakville & Milton Humane Society

#### *Qualified Opinion*

We have audited the financial statements of Oakville & Milton Humane Society (the "Society"), which comprise the statement of financial position as at December 31, 2022 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, and 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, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets and net assets as at December 31, 2022 and January 1, 2022. Our opinion on the financial statements for the year ended December 31, 2021 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*RSM Canada LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
May 31, 2023  
Toronto, Ontario

**Oakville & Milton Humane Society**  
**Statement of Financial Position**  
**As at December 31, 2022**

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 760,445	\$ 669,054
Accounts receivable	135,655	80,074
Prepaid expenses	49,671	11,718
Short-term investments (Note 4)	2,640,986	2,411,498
	<b>3,586,757</b>	<b>3,172,344</b>
<b>Long-term investments (Note 4)</b>	<b>50,000</b>	<b>107,901</b>
<b>Tangible capital assets (Note 5)</b>	<b>460,744</b>	<b>471,552</b>
	<b>\$ 4,097,501</b>	<b>\$ 3,751,797</b>

**Liabilities**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 251,795	\$ 231,771
Deferred contributions (Note 6)	136,645	69,315
	<b>388,440</b>	<b>301,086</b>
<b>Deferred capital contributions (Note 7)</b>	<b>303,996</b>	<b>325,910</b>
	<b>692,436</b>	<b>626,996</b>

**Net Assets**

Invested in tangible capital assets	342,504	344,168
Externally restricted net assets (Charlie Fund)	536,070	290,837
Internally restricted net assets	1,674,239	1,773,563
<b>Unrestricted net assets</b>	<b>852,252</b>	<b>716,233</b>
	<b>3,405,065</b>	<b>3,124,801</b>
	<b>\$ 4,097,501</b>	<b>\$ 3,751,797</b>

*Contingent liability* (Note 10)

Approved by

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Clayton Shold

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Board Chair

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Michael Spinelli

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Treasurer

**Oakville & Milton Humane Society**  
**Statement of Operations**  
**Year Ended December 31, 2022**

	2022	2021
<b>Revenue</b>		
Fundraising	\$ 2,194,430	\$ 1,836,236
Animal protective services	1,180,076	1,055,492
Community engagement	232,063	243,278
Thrift Store	74,527	57,020
Other income (Note 8)	121,250	216,066
Investment income (Note 4)	(95,025)	14,577
	<b>3,707,321</b>	<b>3,422,669</b>
<b>Expenses</b>		
Salaries and benefits	2,452,559	2,283,403
Administrative	488,304	335,111
Fundraising	245,795	173,143
Animal care	210,087	196,480
Animal protective services	127,472	122,071
Amortization	47,954	48,768
Marketing and communications	36,920	20,998
Other	33,941	80,333
Community engagement	29,258	37,163
	<b>3,672,290</b>	<b>3,297,470</b>
<b>Excess of revenue over expenses before the undernoted items</b>	<b>35,031</b>	<b>125,199</b>
<b>Other revenue (expenses)</b>		
Charlie Fund revenue	307,970	31,802
Charlie Fund expenses	(62,737)	(76,427)
	<b>245,233</b>	<b>(44,625)</b>
<b>Excess of revenue over expenses</b>	<b>\$ 280,264</b>	<b>\$ 80,574</b>

**Oakville & Milton Humane Society**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	2022	2021
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Excess of revenue over expenses	\$ 280,264	\$ 80,574
Items not affecting cash		
Amortization	47,954	48,768
Amortization of deferred capital contributions to revenue	(9,144)	(10,563)
Non-cash contributions	(75,657)	(156,453)
Gain on disposal of tangible capital assets	(20,856)	-
Unrealized loss on investments	178,729	7,281
	<b>401,290</b>	<b>(30,393)</b>
Net changes in non-cash working capital		
Accounts receivable	(55,581)	41,048
Accounts payable and accrued liabilities	20,024	34,674
Deferred contributions	67,330	(46,554)
Prepaid expenses	(37,953)	(1,335)
	<b>395,110</b>	<b>(2,560)</b>
<b>Investing</b>		
Purchase of tangible capital assets	(41,708)	(10,394)
Investments, net	(274,659)	(8,297)
Proceeds on disposal of tangible capital assets	25,418	-
Investment income (loss) on deferred building campaign contributions	(12,770)	316
	<b>(303,719)</b>	<b>(18,375)</b>
<b>Financing</b>		
Repayment of long-term debt	-	(49,255)
<b>Net change in cash and cash equivalents</b>	<b>91,391</b>	<b>(70,190)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>669,054</b>	<b>739,244</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 760,445</b>	<b>\$ 669,054</b>