

Ottawa Humane Society
Financial Statements
For the year ended March 31, 2025

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Independent Auditor's Report

To the members of the Ottawa Humane Society

Opinion

We have audited the accompanying financial statements of the Ottawa Humane Society (the Society), which comprise the statement of financial position as at March 31, 2025, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2025, and its result of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 23, 2025

Ottawa Humane Society Statement of Financial Position

March 31 2025 2024

Assets

Current

Cash	\$ 912,648	\$ 2,430,130
Accounts receivable	218,233	566,635
Short-term investments (Note 2)	9,570,740	2,558,598
Prepaid expenses	377,610	273,257

11,079,231 5,828,620

Long-term investments (Note 3) 10,302,661 15,589,087

Tangible capital assets (Note 4) 15,610,537 11,029,144

Intangible assets (Note 5) 38,810 38,810

\$ 37,031,239 \$ 32,485,661

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 983,944	\$ 954,051
Deferred revenue	169,013	158,974
Current portion of long-term debt (Note 7)	1,600,000	-

2,752,957 1,113,025

Long-term debt (Note 7) 1,600,000 -

4,352,957 1,113,025

Contractual obligations (Note 8)

Subsequent event (Note 13)

Net Assets

Unrestricted operating fund	15,861,862	19,253,212
Property and equipment fund	15,649,347	11,067,954
Externally restricted		
Capital replacement fund	1,167,073	1,051,470

32,678,282 31,372,636

\$ 37,031,239 \$ 32,485,661

On behalf of the Board:



Jean Nelson

Chair



Stuart Barr

Treasurer

Ottawa Humane Society
Statement of Changes in Net Assets

		Internally Restricted	Externally Restricted		
	Unrestricted Operating Fund	Property and Equipment Fund	Capital Replacement Fund	Total Restricted Funds	Total Funds
For the year ended March 31, 2025					
Balance, beginning of the year	\$ 19,253,212	\$ 11,067,954	\$ 1,051,470	\$ 12,119,424	\$ 31,372,636
Excess (deficiency) of revenues over expenses	1,589,258	(399,215)	115,603	(283,612)	1,305,646
Interfund transfers (Note 9)	(4,980,608)	4,980,608	-	4,980,608	-
Balance, end of the year	\$ 15,861,862	\$ 15,649,347	\$ 1,167,073	\$ 16,816,420	\$ 32,678,282

		Internally Restricted	Externally Restricted		
	Unrestricted Operating Fund	Property and Equipment Fund	Capital Replacement Fund	Total Restricted Funds	Total Funds
For the year ended March 31, 2024					
Balance, beginning of the year	\$ 16,342,944	\$ 11,432,496	\$ 938,449	\$ 12,370,945	\$ 28,713,889
Excess (deficiency) of revenues over expenses	2,983,450	(437,724)	113,021	(324,703)	2,658,747
Interfund transfers (Note 9)	(73,182)	73,182	-	73,182	-
Balance, end of the year	\$ 19,253,212	\$ 11,067,954	\$ 1,051,470	\$ 12,119,424	\$ 31,372,636

The notes are an integral part of these financial statements.

Ottawa Humane Society Statement of Operations

For the year ended March 31, 2025	Unrestricted Operating Fund	Property and Equipment Fund	Capital Replacement Fund	Total Funds
Revenues (Note 11)				
Animal shelter	\$ 2,412,989	\$ -	\$ -	\$ 2,412,989
Bequests	2,476,313	-	-	2,476,313
Clinic and mobile clinic	16,960	-	-	16,960
Community programs	43,921	-	-	43,921
Development	7,861,510	-	-	7,861,510
Investment income	1,304,892	-	45,619	1,350,511
Other income	28,395	-	-	28,395
Volunteer and outreach	258,904	-	-	258,904
Government and other funding for building	-	-	69,984	69,984
	14,403,884	-	115,603	14,519,487
Expenses (Note 10)				
Animal shelter	4,755,202	-	-	4,755,202
Central services	1,464,383	-	-	1,464,383
Clinic and mobile clinic	1,202,835	-	-	1,202,835
Community programs	254,271	-	-	254,271
Contingencies	106,262	-	-	106,262
Development	2,752,800	-	-	2,752,800
Foster	281,753	-	-	281,753
Other expenses	74,225	-	-	74,225
Premises	627,631	-	-	627,631
Volunteer and outreach	1,295,264	-	-	1,295,264
Amortization of tangible capital assets	-	399,215	-	399,215
	12,814,626	399,215	-	13,213,841
Excess (deficiency) of revenues over expenses	\$ 1,589,258	\$ (399,215)	\$ 115,603	\$ 1,305,646

The notes are an integral part of these financial statements.

Ottawa Humane Society
Statement of Operations (continued)

For the year ended March 31, 2024	Unrestricted Operating Fund	Property and Equipment Fund	Capital Replacement Fund	Total Funds
Revenues (Note 11)				
Animal shelter	\$ 2,292,403	\$ -	\$ -	\$ 2,292,403
Bequests	3,176,002	-	-	3,176,002
Clinic and mobile clinic	29,960	-	-	29,960
Community programs	21,271	-	-	21,271
Development	7,542,347	-	-	7,542,347
Investment income	1,301,250	-	43,037	1,344,287
Other income	91,831	-	-	91,831
Volunteer and outreach	224,990	-	-	224,990
Government and other funding for building	-	-	69,984	69,984
	14,680,054	-	113,021	14,793,075
Expenses (Note 10)				
Animal shelter	4,041,241	-	-	4,041,241
Central services	1,383,576	-	-	1,383,576
Clinic and mobile clinic	1,098,054	-	-	1,098,054
Community programs	259,813	-	-	259,813
Contingencies	61,309	-	-	61,309
Development	2,742,410	-	-	2,742,410
Foster	238,897	-	-	238,897
Other expenses	91,305	-	-	91,305
Premises	553,254	-	-	553,254
Volunteer and outreach	1,226,745	-	-	1,226,745
Amortization of tangible capital assets	-	437,724	-	437,724
	11,696,604	437,724	-	12,134,328
Excess (deficiency) of revenues over expenses	\$ 2,983,450	\$ (437,724)	\$ 113,021	\$ 2,658,747

The notes are an integral part of these financial statements.

Ottawa Humane Society Statement of Cash Flows

For the year ended March 31, 2025

2025

2024

Cash flows from operating activities

Excess of revenues over expenses	\$ 1,305,646	\$ 2,658,747
Items not affecting cash:		
Unrealized losses (gains) on investments	105,415	(713,523)
Realized gains on investments	(575,317)	(176,519)
Contributed shares	(185,479)	(135,853)
Amortization of tangible capital assets	399,215	437,724
	<u>1,049,480</u>	<u>2,070,576</u>
Changes in non-cash working capital:		
Accounts receivable	348,402	(430,970)
Inventory	-	9,128
Prepaid expenses	(104,353)	86,190
Accounts payable and accrued liabilities	29,893	253,798
Deferred revenue	10,039	(87,745)
	<u>1,333,461</u>	<u>1,900,977</u>

Cash flows from investing activities

Purchase of investments	(17,469,904)	(6,817,704)
Proceeds from disposal of investments	16,399,569	6,447,810
Acquisition of tangible capital assets	(4,980,608)	(73,182)
	<u>(6,050,943)</u>	<u>(443,076)</u>

Cash flows from financing activities

Proceeds of long-term debt	3,200,000	-
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Net (decrease) increase in cash

(1,517,482) 1,457,901

Cash, beginning of the year

2,430,130 972,229

Cash, end of the year

\$ 912,648 \$ 2,430,130

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

1. Accounting Policies

**Status and Purpose of
Organization**

The Ottawa Humane Society (the Society) is a not-for-profit organization incorporated without share capital under the laws of Canada. The Society's mission is to lead Ottawa in building a humane and compassionate community for all animals. The Society is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.

Basis of Accounting

The Society applies the Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimates relate to the amortization of tangible capital assets, and valuation of accounts receivable.

Revenue Recognition

The Society follows the restricted fund method of accounting for contributions. Under this method, externally restricted contributions which consist of grants, donations and fundraising are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the Operating Fund. Restricted contributions with no corresponding fund are recognized in the Operating Fund under the deferral method of accounting for contributions.

Operating Fund

The Operating Fund is for the day-to-day operations of the Society. Animal shelter, clinic and mobile clinic, development, volunteer and outreach and other revenues are recognized as revenue in the Operating Fund when these services are provided and collectibility can be reasonably assured.

Property and Equipment Fund

The Property and Equipment Fund is used to account for all tangible capital and intangible assets owned by the Society. The expense recorded in this fund is the amortization of tangible and intangible capital assets.

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

1. Accounting Policies (continued)

Revenue Recognition (continued)

Capital Replacement Fund

The Capital Replacement Fund is used to account for the City of Ottawa funding related to the amortization of tangible capital assets. In accordance with the agreement between the Society and the City of Ottawa, these funds are to be placed in an interest-bearing account and to be used for the construction of a new animal shelter or any major renovations to the existing shelter. All expenses require written approval from the City of Ottawa. Investment income earned is recorded in this fund and is reinvested until such expenses have been incurred.

Translation of Foreign Currency Transactions and Items

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the Statement of Financial Position date. Gains and losses on translation of monetary assets and liabilities are included in the excess (deficiency) of revenues over expenses.

Financial Instruments

Initial and subsequent measurement

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in bonds and equity instruments that are quoted in an active market which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the year incurred.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

1. Accounting Policies (continued)

Tangible Capital Assets	Tangible capital assets are accounted for at cost and amortized on the basis of their useful life using the straight line method over the following durations: <table><tr><td>Buildings and building improvements</td><td>20 - 40 years</td></tr><tr><td>Computer equipment</td><td>4 years</td></tr><tr><td>Furniture and fixtures</td><td>10 years</td></tr><tr><td>Machinery and equipment</td><td>10 years</td></tr><tr><td>Vehicles</td><td>5 years</td></tr></table>	Buildings and building improvements	20 - 40 years	Computer equipment	4 years	Furniture and fixtures	10 years	Machinery and equipment	10 years	Vehicles	5 years
Buildings and building improvements	20 - 40 years										
Computer equipment	4 years										
Furniture and fixtures	10 years										
Machinery and equipment	10 years										
Vehicles	5 years										
Intangible Assets	Intangible assets are recognized at cost and amortized on the basis of their useful life using the straight line method over the following duration: <table><tr><td>Software</td><td>3 years</td></tr></table> Intangible assets with an indefinite life, which includes the time share vacation property, are not amortized. They are tested for impairment when events or circumstances indicate that their carrying amount exceeds their fair value.	Software	3 years								
Software	3 years										
Impairment of Long-Lived Assets	When a tangible capital asset or intangible asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.										
Contributed Services	Volunteers contribute many hours per year to assist the Society in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.										
Contributed Materials	Contributed materials over \$1,000 which are used in the normal course of the Society's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution.										

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

1. Accounting Policies (continued)

Allocation of Expenses

The Society records their expenses on a functional program basis. Premises, central services and fleet costs are applicable to more than one function and are allocated to these functions on the following basis:

- Premises costs: prorated to the floor area occupied by each function.
 - Central services costs: allocated to the Animal Shelter based on the allowed expenses under the Municipal Animal Shelter Service Agreement with the City of Ottawa and to all other functions based on estimated usage.
 - Fleet costs: prorated to the usage of the vehicles by each function.
-

2. Short-term Investments

	<u>2025</u>	<u>2024</u>
Measured at fair value		
Bonds, 2.0% to 3.8% (2024 - 1.94% to 2.65%), maturing between April 2025 and October 2025 (2024 - February 2025 and March 2025).	<u>\$ 1,758,829</u>	<u>\$ 416,408</u>
Measured at amortized cost		
High-interest savings account	7,199,720	1,680,419
Restricted high-interest savings account	68,081	29,106
Restricted guaranteed investment certificates, 5.40% to 5.50% (2024 - 4.15% to 4.25%), maturing in August 2025 (2024 - August 2024).	<u>544,110</u>	<u>432,665</u>
	<u>7,811,911</u>	<u>2,142,190</u>
	<u>\$ 9,570,740</u>	<u>\$ 2,558,598</u>

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

3. Long-term Investments

	<u>2025</u>	<u>2024</u>
Measured at fair value		
Bonds, 1.88% to 5.38% (2024 - 1.05% to 5.38%), maturing between June 2026 and December 2033 (2024 - April 2025 and December 2033).	\$ 3,054,568	\$ 5,237,490
Canadian equities	2,658,931	4,931,558
US and international equities	<u>2,630,023</u>	<u>4,903,933</u>
	8,343,522	15,072,981
Measured at amortized cost		
Restricted guaranteed investment certificates, 3.56% (2024 - 5.40% to 5.50%), maturing in October 2026 (2024 - August 2025)	<u>1,959,139</u>	516,106
	<u>\$ 10,302,661</u>	<u>\$ 15,589,087</u>

The restricted investments from above are restricted as a result of an agreement between the Society and the City of Ottawa. The Capital Replacement funds received are to be placed in an interest-bearing account and to be used for the construction of a new animal shelter or any major renovations to the existing shelter. All expenses require written approval from the City of Ottawa.

**Ottawa Humane Society
Notes to Financial Statements**

March 31, 2025

4. Tangible Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 6,681,356	\$ -	\$ 1,744,284	\$ -
Buildings and building improvements	13,190,539	4,467,565	13,183,736	4,131,239
Computer equipment	225,517	209,054	225,517	191,729
Furniture and fixtures	489,923	428,483	453,189	417,932
Machinery and equipment	1,377,890	1,249,586	1,377,890	1,221,741
Vehicles	378,334	378,334	378,334	371,165
	\$ 22,343,559	\$ 6,733,022	\$ 17,362,950	\$ 6,333,806
Net carrying amount		\$ 15,610,537		\$ 11,029,144

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

5. Intangible Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Software	\$ 165,623	\$ 165,623	\$ 165,623	\$ 165,623
Time share vacation property	38,810	-	38,810	-
	<u>\$ 204,433</u>	<u>\$ 165,623</u>	<u>\$ 204,433</u>	<u>\$ 165,623</u>
Net carrying amount		<u>\$ 38,810</u>		<u>\$ 38,810</u>

The time share vacation property was donated to the Society and consists of points for a Hilton Grand Vacations timeshare that comprises accommodations for a set number of people and nights. The trip is used as a prize, raffle or auction item.

6. Credit Facility

The Society has an authorized operating line of credit of \$800,000 that is due on demand and bears interest at the bank's prime rate plus 0.75% per annum, calculated and payable monthly. It is secured by a general security agreement covering all assets. At March 31, 2025 and March 31, 2024, this line of credit was unused.

7. Long-term Debt

	2025	2024
Vendor take-back mortgage, 2.25%, repayable in two payments, principal and interest on February 12, 2026 and February 12, 2027.	\$ 3,200,000	\$ -
Less: current portion	<u>1,600,000</u>	<u>-</u>
	<u>\$ 1,600,000</u>	<u>\$ -</u>

The mortgage was obtained to finance the acquisition of land adjacent to the existing facility, which will support the Society's future development and expansion plans over the coming years.

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

8. Contractual Obligations

The Society regularly enters into agreements for the purchase of various supplies and services including the management of the premises and equipment. The total obligation related to these contracts is \$1,461,319 including the following payments over the next five years:

2026	\$	789,999
2027	\$	328,861
2028	\$	216,804
2029	\$	110,946
2030	\$	14,709

9. Interfund Transfers

Amounts of \$4,980,608 (2024 - \$73,182) were transferred from the unrestricted operating fund to the property and equipment fund for the purchase of tangible capital assets during the year. Amounts of \$3,200,000 (2024 - \$nil) were transferred from the property and equipment fund to the unrestricted operating fund to reflect the proceeds of long term debt, related to the tangible capital asset purchases.

10. Allocation of Expenses

Premises, central services and fleet costs were allocated as follows:

	2025	2024
<u>Premises costs</u>		
Animal shelter	\$ 384,610	\$ 339,091
<u>Central services costs</u>		
Animal shelter	\$ 117,721	\$ 91,800
<u>Fleet costs</u>		
Animal shelter	\$ 11,913	\$ 12,202
Clinic and mobile clinic	5,752	12,211
Development	1,216	1,388
Volunteer and outreach	9,123	10,410
	\$ 28,004	\$ 36,211

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

11. Fundraising Activities

Fundraising revenues are included in multiple financial statement categories. These are summarized below:

	<u>2025</u>	<u>2024</u>
Operating fund - Development revenue		
Individual support	\$ 6,947,105	\$ 6,580,532
Group support	433,802	268,167
Special events	480,603	693,648
	<u>7,861,510</u>	<u>7,542,347</u>
Operating Fund - Bequests	<u>2,476,313</u>	<u>3,176,002</u>
Total fundraising revenue	<u>\$ 10,337,823</u>	<u>\$ 10,718,349</u>

Ottawa Humane Society Notes to Financial Statements

March 31, 2025

12. Financial Instruments

Credit risk

The Society is exposed to credit risk arising from maintaining all its bank accounts at a single financial institution. While the Canada Deposit Insurance Corporation (CDIC) insures eligible deposits up to \$100,000 per depositor per insured category. This concentration increases the risk of loss if the financial institution encounters financial difficulties. The credit risk has decreased since the cash balance has decreased from the prior year.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 14% (2024 - 27%) of the Society's investments are denominated in US dollars and have been translated into Canadian dollars at year end. The currency risk has decreased from the prior year due to a decrease in the proportion of U.S. dollar-denominated investments, reflecting a shift toward Canadian dollar assets and thereby reducing exposure to foreign exchange fluctuations.

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 Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed interest instruments subject the Society to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. There has been an increase in this risk due to the long-term debt incurred in the year.

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 Society is exposed to other price risk through its investments in quoted shares. There have been no changes to the other price risks from the prior year.

13. Subsequent Event

On February 1, 2025, the United States announced tariffs on certain goods imported from Canada, initially scheduled to take effect on February 4, 2025. Canada responded with counter-tariffs on selected U.S. imports. After initial negotiations, both countries agreed to postpone implementation to March 4, 2025. U.S. tariffs subsequently came into effect following the expiry of a temporary exemption on April 2, 2025, with Canada's retaliatory measures also implemented shortly thereafter. Management continues to monitor developments and is currently unable to reasonably estimate the financial impact of these measures.