



## 2022 annual report- table of contents

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**Annual General Meeting  
AGENDA**

**May 18, 2022**

Online via ZOOM

Start Time - 7:00pm

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- 1. Welcome and Call to Order**
- 2. Approval of Agenda**
- 3. Approval of Minutes of the Jun 15, 2021 AGM**
- 4. Business of the Society, 2022**
  - a. Presidents Report - Courtney Murphy
  - b. Audited Financials/Financial Report – Jeff Hanley, MNP
  - c. Designation of Auditor for 2022
  - d. Confirmation of slate for Board of Directors
- 5. Rene Baker, Senior Investigator, Provincial Animal Welfare Services – the importance of the relationship between the KHS and the Ministry of the Solicitor General**
- 6. Awards presentations**
  - a. 2022 Humane Hero award
  - b. 2022 Compassionate Care award
- 7. Thank you - adjournment**



**KINGSTON HUMANE SOCIETY  
MINUTES  
ANNUAL GENERAL MEETING  
18:00 June 15, 2021  
Via Zoom**

- 1.0 Welcome and call to order-G. Hunter**  
G. Hunter called the meeting to order at 6:06 pm
- 2.0 Approval of Agenda-G. Hunter**  
Amendment of agenda by C. Murphy to include addition of Humane Hero Award at 6.0.  
Motion to accept Agenda made by G. Hodgetts  
Seconded by J. Tomasich  
Unanimously carried
- 3.0 Approval of the minutes from October 20, 2020**  
Minutes were reviewed.  
Motion to accept Minutes made by D. Babcock  
Seconded by C. Murphy  
Unanimously carried
- 4.0 Business of Society**
  - 4.1.1 President's report-C. Murphy** gave a thank you from the board to the KHS staff for doing a fabulous job during the pandemic. Thank you to the members, board members, donors, fosters and volunteers who helped KHS through this past year. Staffing update: Dr. Laurie Gaines has moved on, we wish her well. We have welcomed Dr. Heather Melinyshyn.
  - 4.1.2 Auditors Report-J. Hanley, MNP (formerly Collins Blay LLP)**  
J. Hanley gave a simplified explanation of the audit procedure and explained to the members that the audit is based on a random sample basis because it's impossible to look at 100% of the documentation. Jeff explained to the members that all KHS processes are appropriate and relevant. Jeff explained that KHS is in a strong financial position. All bills and CRA are paid on time and that there were no concerns with the audit.
  - 4.1.3 Designation of Auditor for 2021-G. Hunter**  
MNP has provided great service to KHS for 11 years. They are very familiar with the books and their familiarity provides for a quicker, more seamless audit each year.  
Motion to appoint MNP for the 2021 audit by J. Tomasich  
Seconded by N. Lance  
Unanimously Carried

4.1.4 **Animal Care Report-C. Haaima**

There is a decline in intakes which is consistent with provincial trends. There is an uptake on transfers as KHS is working with some transfers in from rescues and out to rescues. There were 821 surgeries performed over the last year. These numbers are consistent with the previous year. KHS maintains euthanasia as a last resort for fatal or critical medical issues only and the KHS was at 4.6%, well below the provincial standard of 10.9%.

**5.0 Confirmation of Slate for Board of Directors**

5.1 Current Board of Directors members are:

J. Tomasich, D. Wisniewski, K. Wright, C. Murphy, P. Hendra, G. Hodgetts, D. Babcock, P. Taylor, S. Williams, N. Lance. Positions and signing officers to remain the same.

M. Nedvidek has stepped down.

5.2 Motion to approve slate of Board of Directors by D. Babcock and seconded by P. Taylor.

Unanimously carried

**6.0 Humane Hero Award-C. Murphy**

The board of Directors will be offering a Humane Hero Award to a staff member that stands out and has dedicated their time and life to the betterment of the animals in our care. This award will be given out at each AGM.

The recipient of this year's award is **Christie Haaima**

**7.0 Thank You**

Before adjourning G. Hunter opened the floor to any questions from the members

**\*Low Cost Spay/Neuter Clinic-L. Osanic**

L. Osanic gave a run down on where the topic of the low cost spay and neuter clinic currently lies. They are hopeful it will be up and running soon. The clinic would be offered once a month to begin with. They are hoping the funding will come from the city, if not half from the city and half from fundraising. More on this to come out of the June 24<sup>th</sup> Council meeting.

**\*Will KHS be opening to the public soon? –J. Milsome**

A-Once Public Health gives the go ahead to open everything at full capacity then KHS will open as well. It is hopeful that this happens by September 2021.

**8.0 Adjournment**

Motion to adjourn the Annual General Meeting at 6:53pm by D. Babcock

Seconded by C. Murphy

Unanimously carried

This past year has been about survival for so many. Individuals, businesses, and non-profits have been working to keep our heads above water as the pandemic continues, much longer than most expected.

As the President of the Humane Society for the past 19 months, I am proud to say that our organization has not only been resilient, but it has flourished, achieving some significant milestones during challenging circumstances. Some of the key reasons this has happened are due to the dedication, commitment, and compassion of the staff, volunteers, donors, and the community. The fact that everyone has put faith in the KHS leadership to make the best decisions possible for the organization and the welfare of the animals has certainly not gone unnoticed and is an integral reason why we thrived.

Despite the many challenges, the Kingston Humane Society staff has been able to:

- **Continue to create and expand on an already robust foster program that ensures that as many animals as possible can live in homes while awaiting adoption.** As I'm sure you can imagine, this task takes a lot of time, effort, and commitment from the staff and foster families.
- **Continue to raise donations when many charitable organizations struggle to do so.** The open dialogue and dedication of the staff, along with the community's trust, has certainly made this possible. It also was due to the devotion and perseverance of the team, creating and undertaking new projects during the pandemic, including the charity golf tournament- K9's, Cats & Caddies, which was a tremendous success.
- **Continue to secure partnerships locally with key players and various rescues and shelters on a broader spectrum.** Doing this ensures the animals' safety and best interest are always at the forefront. Notably, the staff was able to work with the City of Kingston to secure funding to open a permanent low-cost spay/neuter clinic at the Kingston Humane Society. A critical hole that both the community and the shelter have identified as a necessity for some time.

I am incredibly proud of the organization and all it has achieved in the past few years. I am so very grateful for the incredible team that keeps the shelter running day in and day out, always bringing 100% to the workplace, despite what they may be facing in their personal life or how exhausted they may feel. This team is selfless, always advocating for and improving animals' lives within our community and beyond.

The Kingston Humane Society is blessed to have such an extraordinary team and significant backing from our community. Thank you for being so supportive. With your help, I can't wait to see what the future has in store for us at the shelter.

Sincerely,

Courtney Murphy  
Kingston Humane Society  
Board President

### **A message from the Executive Director**

This will be the third AGM in which COVID has played a substantial role in the summary of our prior year.

The third time telling you that it's been difficult on the staff, animals and volunteers, and the third time explaining that we've had to fundamentally change the way we do business.

I'm as weary of it as everyone else. One of the things that exhausts me the most is that for a large part of the last 26 months, we've spent much of our energy just surviving.

It may seem strange to consider but just surviving in business and certainly in the charitable sector is a death knell. Flexibility, innovation and change are the keys to surviving and, to thriving.

But here's the thing – the KHS *has* been able to grow, change and thrive amidst the pandemic.

In our 2022 calendar we decided for the first time, to feature people and their pets and not just any people, but front-line workers. We charged more, printed more and sold more than ever before. In the end, we were able to donate \$2440 from the extra \$5 per calendar to St. John Ambulance's Therapy Dog program to help front line workers in their own struggles due to COVID.

For our annual Direct Mail campaign, we decided to give you an inside look at what happens when an animal needs treatment after hours. We told you the story of London who had a broken leg but with care, patience and excellent veterinary treatment by our staff and the staff of Princess Animal Hospital, we were able to save London's leg. As a result, our direct mail campaign was the most successful in our history.

Perhaps the biggest step forward - the biggest change – began back in the spring of 2019. During my first few weeks in this role, I asked all of our stakeholders what the biggest animal welfare issue was in the Kingston area.

The resounding response was the lack of a low cost spay/neuter clinic. It took some time and it was certainly stalled by COVID but last fall, the City of Kingston began the process of assisting us in funding a permanent low cost spay/neuter clinic here in our building. On January 19, 2022, City Council approved funding of \$62,000 to help us to purchase the equipment and training needed to start the clinic.

When your focus is only on surviving, it can be difficult to consider any changes, let alone significant transformations. I'm proud to say that the Kingston Humane Society continues to look for ways to improve, to overcome obstacles and to enact strategies to achieve our goals; all while facing a pandemic none of us imagined lasting this long.

I'm excited by what we can continue to accomplish in spite of whatever barriers we may face.

Sincerely,



Gord Hunter, Executive Director

## **2022 NEW BOARD MEMBERS**

### **Alicia Turney**

Alicia is a lawyer practicing at Cunningham Swan, having moved to the Kingston area in 2021. Throughout her career, Alicia has represented several not-for-profit organizations, and is passionate about animal welfare, having volunteered for numerous rescues and sanctuaries across Ontario. She is excited to offer her skills to assist the Board in moving the mission and strategic plan forward. In her spare time, Alicia can be found running on the local trail systems, collecting more succulents that she really doesn't need, or taking her dog, Luna, for a stroll.

### **Emma Clarke**

Emma is a Senior Relationship Manager at Smith School of Business, Queen's University. A resident of Kingston since attending Queen's as an undergraduate student, Emma holds a Bachelor's Degree (Honours) in Gender Studies from Queen's and a Master of Media in Journalism and Communications from Western University. She is passionate about animal welfare and strongly believes animals should be respected and protected from harm. In her free time, Emma enjoys reading, hiking, binge-watching Netflix, cooking new recipes, and caring for her two rescue cats, Casper and Simone.

### **Megan Blundell**

Megan was born and raised in Kingston and continues to live and work in the community today. She has over 10 years' experience in the financial services industry, most recently as a Financial Planner at RBC Royal Bank. Prior to joining RBC in 2011, Megan graduated from Queen's University with a Bachelor of Commerce degree. Outside of work, Megan enjoys spending time outdoors hiking, swimming, and paddleboarding, as well as spoiling her nieces and nephew and her cat, Darryl.

### **Luke Macdonald**

Luke currently works for the City of Kingston as a Project Manager for Facility Services. Luke is involved in the construction of City owned facilities, everything from roof and window repairs, installation of new HVAC systems, up to full interior renovations, etc. Prior to his current role at the City Luke worked as a Civil Engineer for a local consulting firm, J. L. Richards & Associates. Luke also previously served on the Board of Directors for Sustainable Kingston and has been an active member of his Toastmasters club for the last five years.

## **2022 RETURNING BOARD MEMBERS**

Courtney Murphy - President

Dana Babcock – Vice President

Joe Tomasich – Treasurer

Patty Taylor – Secretary

Nicole Lance –HR Committee, AGM Committee, Operations Committee

Sarah Williams – HR Committee, Marketing Committee, AGM Committee

Peter Hendra – Animal Care Committee, Marketing Committee

Geoff Hodgetts – Animal Care Committee

## **2022 DEPARTING BOARD MEMBERS (2<sup>ND</sup> 3-YEAR TERM COMPLETED)**

Duane Wisniewski – past President

Kelley Wright – past Vice President and Treasurer

The board, staff, volunteers and members of the Kingston Humane Society wish to convey our deepest thanks to Duane and Kelley for their commitment to our mission. The animals of the City of Kingston are better, healthier and happier thanks in large part to your time and dedication.

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## 2021 animal care statistics

### INTAKES

#### *All animals entering the KHS shelter*

In 2021, the Kingston Humane Society received 1,428 animals: 864 cats, 330 dogs, and 184 other animals, including rabbits, birds, guinea pigs, hamsters, rats, and mice.

Total stray animals – those accepted through pound services contracts and those brought in directly, exclusive of pound contracts – represented 47.5% of our intakes. Animals surrendered by their owners made up 23.4% of our intakes. Animals coming into our care through seizure by police, welfare inspectors, or other authorities represented 8.9%. Animals that were admitted through returned adoptions or clinic procedures accounted for 2.3% and 0.84% respectively. The KHS is not equipped to house wildlife, but will accept seriously injured animals in emergencies, accounting for 0.07% of intakes, and 5.8% of intakes came in through transfer from other shelters or rescue organizations.

#### *Animals entering KHS through pound services*

The KHS provides pound services for a number of municipalities. In 2021, 530 cats and 134 dogs entered through pound services. We applaud our community pet owners, who in 2021 reclaimed their cats and dogs at rates well above the provincial average. Cats were reclaimed at a rate of 7.5% and dogs were reclaimed at a rate of 51.2%, both higher than the provincial averages. A total of 573 unclaimed animals were transferred into the KHS program.

#### *Animals entering as seized/custody*

The KHS provides shelter and medical care to animals removed from a home or situation where they are deemed to be in distress by an animal welfare agent or police officer under the *PAWS Act*. Many of these animals were medically compromised and/or faced behavioural challenges that are not seen in typical stray or owner-surrendered animals. A total of 127 animals were taken in as seized/custody. Of these, 92 were transferred into the care of the KHS.



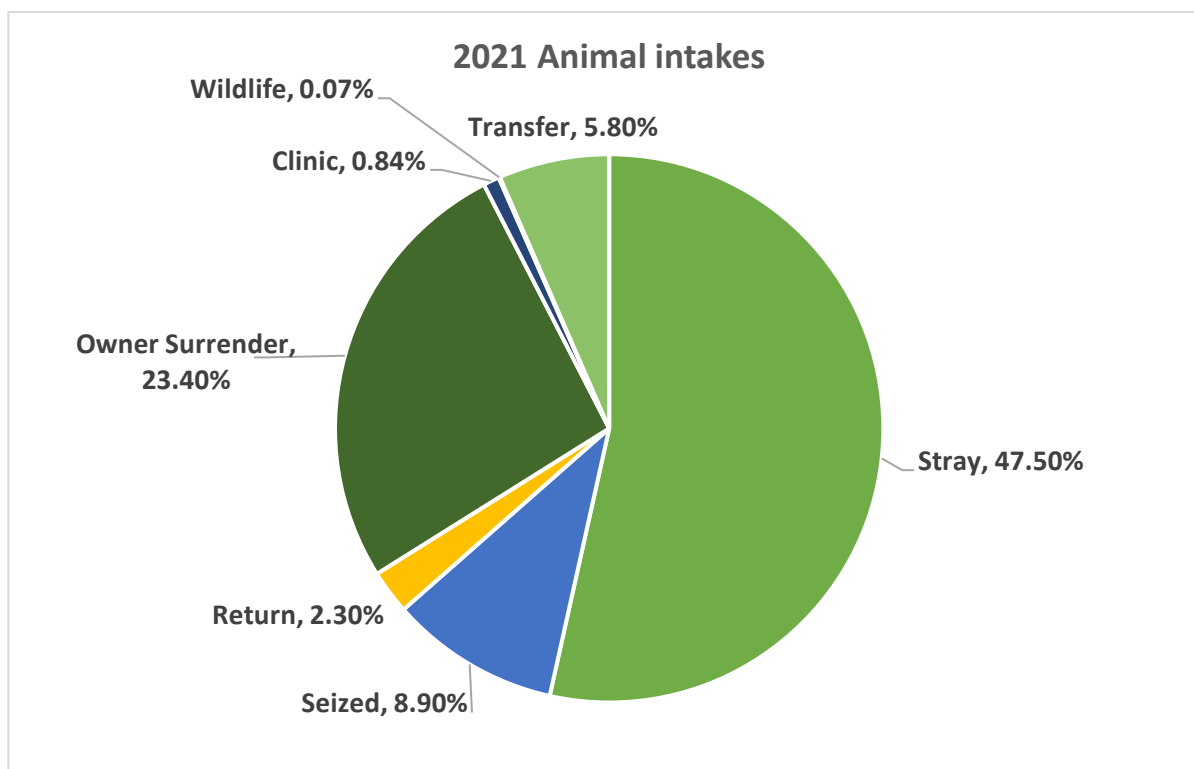
### *Animals coming directly into KHS's care and pound and seized/custody animals transferred to KHS*

A total of 1,260 animals were admitted into the KHS program in several ways: directly from their owners, by transfer through pound services, after being seized, or as strays in a jurisdiction where there is no pound contract. Of overall intakes, 65.8% were cats, 21.5% were dogs, and 18% were other animals. Adoptive homes were found for 59.8% of these animals, which is significantly above the Ontario average (43.4%). A total of 14.9% of intakes were transferred to KHS's Barn Buddies program or to rescue organizations as they required behavioural intervention, palliative care, or treatments not manageable in a shelter environment.

### *Surgery/Veterinary treatment*

A total of 952 surgeries were completed on KHS animals, including 646 spays and neuters and 306 other life-saving surgeries, such as dental surgery, limb amputations, eye enucleations, laceration repairs, and foreign body surgeries, with spays and neuters in combination. These surgeries ensured that animals would have a good quality of life and would qualify for the KHS adoptions program.

*The information and graphs that follow refer to those animals who came into the care of the KHS in the past year. As a charity, dependent on donations and support of the community, these statistics reflect the work that we do, as a result of that support, for the homeless, abused, or unwanted pets in our community with nowhere else to go.*



The KHS never euthanizes animals because of space or time constraints, or treatable medical conditions. All humane euthanasia is carried out by and under agreement with a veterinarian and is performed based on the following strict criteria: chronic/untreatable medical conditions, where rescue transfer is not an option, or behaviour that causes a risk to public safety. KHS animals requiring humane euthanasia accounted for 6.4% which is well below Ontario's shelter average of 10.9%. The KHS also provides a service to community pet owners, allowing them to surrender a pet in need of humane euthanasia when they are unable to assume this

cost, in order to prevent unnecessary suffering of our community’s pets. An additional 57 pets were surrendered into this community support program.

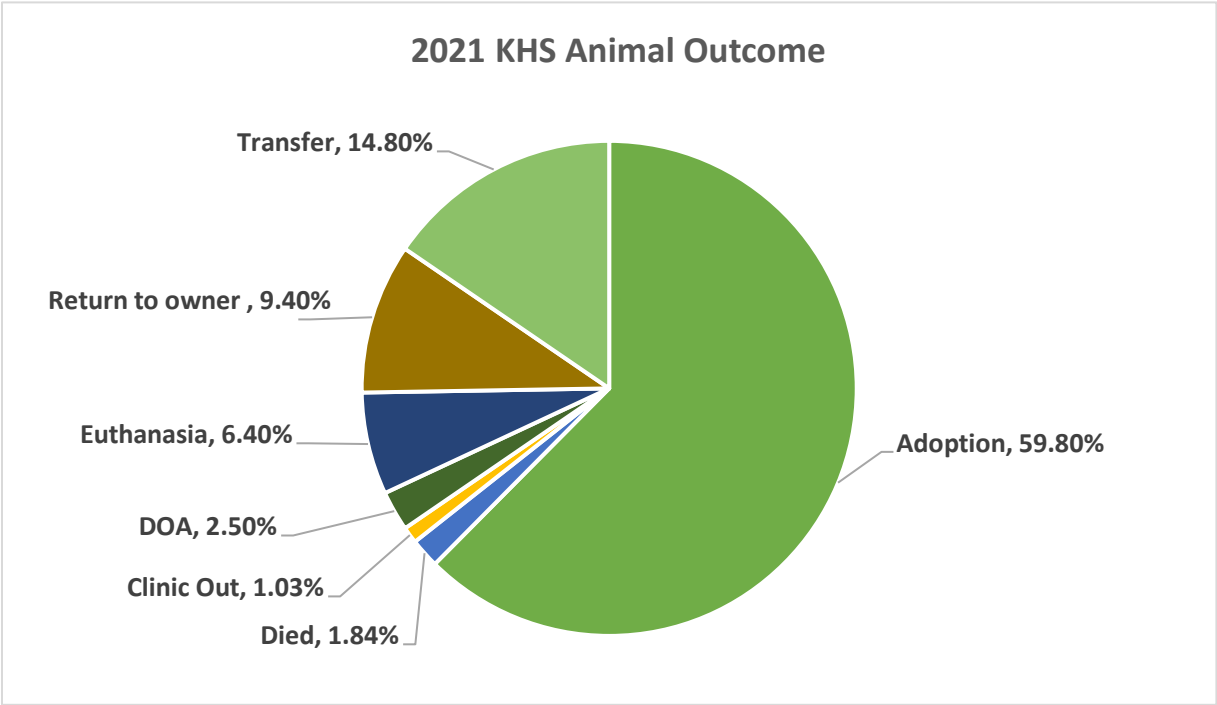


FIGURE:Outcomes - the Kingston Humane Society 2021

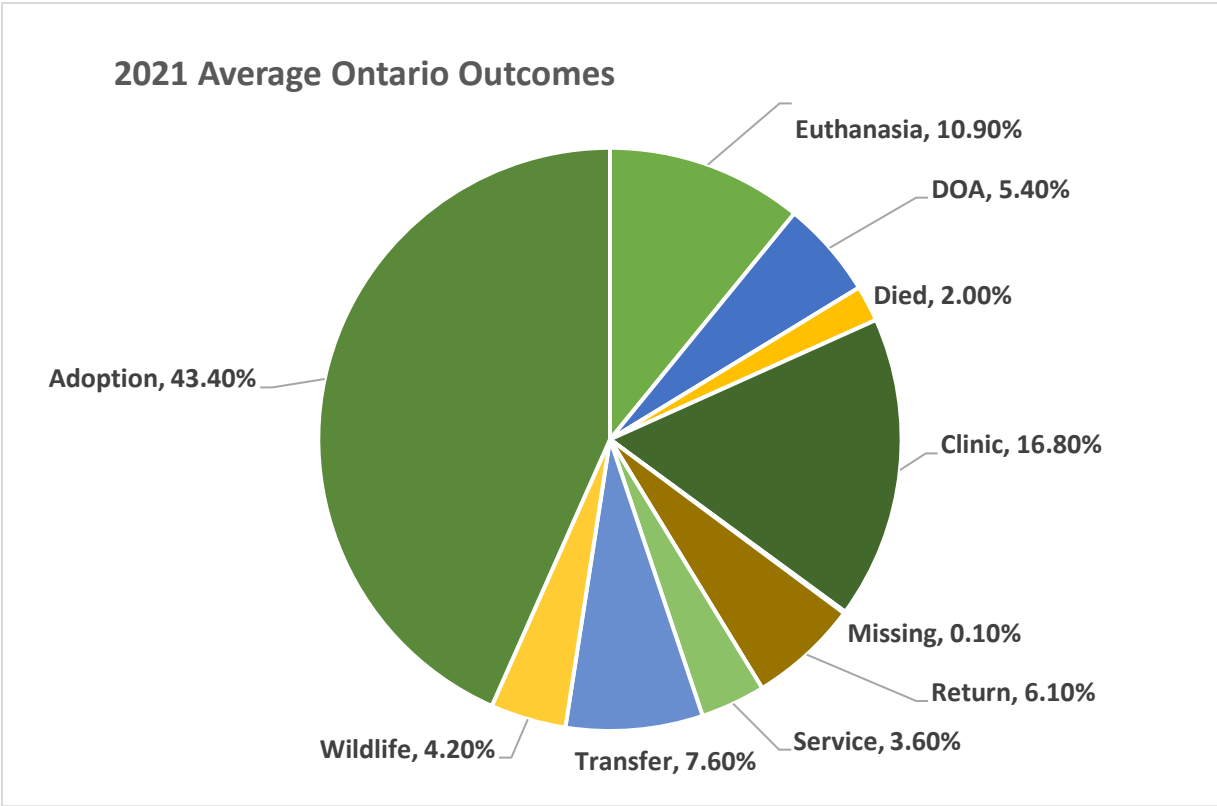


FIGURE: Average Outcomes in Ontario

**The Kingston Humane Society**  
**Financial Statements**  
*December 31, 2021*

To the Board of The Kingston Humane Society:

### Qualified Opinion

We have audited the financial statements of The Kingston Humane Society (the "Organization"), which comprise the statement of financial position as at December 31, 2021, 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 Organization as at December 31, 2021, and the 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 Organization derives revenue from fundraising and donations, 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. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenues, donations, excess of revenues over expenses and cash flows from operations for the year ended December 31, 2021, current assets as at December 31, 2021 and net assets as at January 1 and December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of these possible effects.

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 Organization 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 Organization'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 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.

**ACCOUNTING › CONSULTING › TAX**

27 PRINCESS STREET, SUITE 410, KINGSTON ON, K7L 1A3

T: (613) 546-3111 F: (613) 546-4089 **MNP.ca**

## 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 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.

Kingston, Ontario  
April 27, 2022

*MNP LLP*

Chartered Professional Accountants  
Licensed Public Accountants

# The Kingston Humane Society

## Statement of Financial Position

*As at December 31, 2021*

	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	61,948	437,698
Accounts receivable	172,323	75,589
HST recoverable	54,927	38,675
Prepaid expenses and other assets	7,883	7,780
	297,081	559,742
<b>Endowment funds (Note 3)</b>	86,613	80,196
<b>Investments (Note 4)</b>	1,091,441	1,144,355
<b>Capital assets (Note 5)</b>	779,097	685,828
	2,254,232	2,470,121
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	127,112	147,253
Government remittances payable	2,897	4,162
Deferred contributions (Note 6)	-	4,090
	130,009	155,505
<b>Deferred contributions related to capital assets (Note 7)</b>	55,968	56,968
	185,977	212,473
<b>Net Assets</b>		
Invested in capital assets (Note 7)	723,129	628,860
Other endowment purposes (Note 3)	86,613	80,196
Gibson Legacy (Note 3)	100,000	100,000
Watters-Morley Legacy (Note 3)	11,000	11,000
Unrestricted	1,147,513	1,437,592
	2,068,255	2,257,648
	2,254,232	2,470,121

Approved on behalf of the Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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

# The Kingston Humane Society

## Statement of Revenue and Expenses

*For the year ended December 31, 2021*

	2021	2020
<b>Revenue</b>		
Adoption fees	138,802	129,771
Bequests (Note 8)	98,500	356,242
Donations and memberships	603,410	523,162
Fundraising	65,268	56,823
Nevada tickets and bingo	11,186	16,409
Municipalities	498,036	372,732
Canada Summer Jobs grant	-	3,920
Incoming and reclaim fees	10,663	10,414
Shop sales and other income	33,597	37,721
Rent	19,095	23,998
Income from investments measured at cost	2,401	2,266
Income from investments measured at fair value	55,583	23,397
Amortization of deferred contributions (Note 7)	6,000	6,710
	<b>1,542,541</b>	<b>1,563,565</b>
<b>Expenses</b>		
Advertising	1,352	536
Amortization	63,696	36,929
Food and adoption costs	85,449	72,583
Food for resale	-	3,825
Fundraising	29,701	24,652
Insurance	16,383	14,635
Interest and bank charges	15,020	13,791
Medicine	96,377	91,035
Nevada tickets and bingo	-	306
Office and other	23,137	32,326
Professional fees (Note 9)	53,814	53,128
Repairs and maintenance	58,404	55,595
Shelter supplies	7,526	9,200
Telecommunication	26,591	22,241
Travel and education	1,096	4,438
Utilities	46,320	43,733
Vehicle	3,096	2,931
Veterinary fees	59,458	23,335
Wages and benefits	1,241,024	1,095,241
	<b>1,828,444</b>	<b>1,600,460</b>
<b>Deficiency of revenue over expenses before other items</b>	<b>(285,903)</b>	<b>(36,895)</b>
<b>Other items</b>		
Change in fair market value of investments	48,077	40,876
Government assistance (Note 10)	42,014	128,019
	<b>90,091</b>	<b>168,895</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(195,812)</b>	<b>132,000</b>

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

**The Kingston Humane Society**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2021*

	<i>Invested in capital assets</i>	<i>Other Endowment Purposes</i>	<i>Gibson Legacy</i>	<i>Watters- Morley Legacy</i>	<i>Unrestricted</i>
Net assets, beginning of year	628,860	80,196	100,000	11,000	1,437,592
Excess (deficiency) of revenue over expenses	(57,697)	-	2,636	290	(141,039)
Capital assets purchased	151,966	-	-	-	(151,966)
Endowment contributions	-	-	-	-	-
Distributions of endowment fund income	-	(3,919)	-	-	-
Net investment gain on endowment fund	-	10,336	-	-	-
Transfers	-	-	(2,636)	(290)	2,926
Net assets, end of year	723,129	86,613	100,000	11,000	1,147,513

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



# The Kingston Humane Society

## Statement of Cash Flows

*For the year ended December 31, 2021*

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(195,812)	132,000
Amortization	63,696	36,929
Amortization of deferred contributions	(6,000)	(6,710)
Donation of shares	(9,950)	(9,889)
Investment distributions reinvested	(29,917)	(29,568)
Realized gain (loss) on sale of investments	(25,666)	4,052
Change in fair market value of investments	(48,077)	(40,876)
Investment management fees	13,209	12,051
	(238,517)	97,989
Changes in working capital accounts		
Accounts receivable	(96,734)	23,062
HST recoverable	(16,252)	5,396
Government remittances payable	(1,265)	74
Prepaid expenses and other assets	(103)	(1,506)
Accounts payable and accrued liabilities	(20,135)	37,970
Deferred contributions	(4,090)	(788)
	(377,096)	162,197
<b>Investing</b>		
Purchase of capital assets	(156,968)	(20,896)
Deferred contributions received related to capital assets	5,000	838
Proceeds on disposal of investments	153,314	100,000
	1,346	79,942
<b>Increase (decrease) in cash resources</b>	(375,750)	242,139
<b>Cash resources, beginning of year</b>	437,698	195,559
<b>Cash resources, end of year</b>	61,948	437,698

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

**1. Incorporation and nature of the organization**

The Kingston Humane Society (the "Organization") was incorporated under the authority of the province of Ontario as a not-for-profit corporation and is a registered charity and thus is exempt from income taxes under section 149 of the Income Tax Act ("the Act").

The Organization's purpose is to provide service to Kingston and surrounding communities by caring for injured, abused and homeless animals, finding homes for animals, providing pound services, promoting spay and neutering programs and assisting with the education of veterinary technology students.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

***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 mutual funds and equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of revenue and expenses in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and fixed income financial instruments in investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial asset impairment:

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

***Capital assets***

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Building	4 %
Parking lot	4 %
Furniture and equipment	20 %
Vehicles	30 %
Computer hardware	50 %
Computer software	100 %

**2. Significant accounting policies (continued)**

***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Adoption fees, shop sales and incoming and reclaim fees are recognized as animals, products and services are provided to customers and payment is tendered or collection is reasonably assured.

Donations and membership, fundraising, Nevada tickets and bingo revenues are recognized when payments are received.

Revenue from municipalities, grants and rental revenue are recognized on a monthly basis under the terms of service and rental agreements in place.

Revenue from bequests are recognized as funds are received from trustees.

Unrestricted investment income is recognized as revenue when earned. Endowment investment income is recognized as a direct increase in the fund balance.

***Contributed services***

The work of the Organization is dependent on the voluntary services of many members. Since these services are not normally purchased by the Organization and because of the difficulty of determining fair market value, the value of these contributed services is not recognized in the financial statements.

***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Significant estimates specifically relate to the Organization's allowance for doubtful accounts and the estimated useful lives of capital assets.

***Government assistance***

Government assistance, which includes wage subsidies, is recognized in revenue in the same period as the related expenses.

**3. Endowment funds**

Other endowment purposes

The Organization has an endowment fund which is administered by the Community Foundation for Kingston & Area. The funds are pooled with other funds for investment purposes and recorded in these statements as Endowment funds.

Gibson legacy

In 2008, the Organization was the beneficiary of a legacy contribution in the amount of \$100,000 which is included in investments. The principal amount of this contribution is to be maintained in perpetuity. Investment income earned from this contribution in the amount of \$2,636 (2020 - \$2,349) is to be used for the purposes of medical procedures on sheltered animals.

Watters-Morley legacy

In 2012, the Organization was the beneficiary of a legacy contribution in the amount of \$10,000 which is included in investments. An additional \$1,000 was received in 2015. The principal amount of this contribution is to be maintained in perpetuity. During the year, investment income in the amount of \$290 (2020 - \$258) was earned from this contribution.

**4. Investments**

	<b>2021</b>	2020
Measured at amortized cost:		
Investment account cash	<b>29,614</b>	32,579
Cashable GIC, interest at 1.5%, matured January 2021	-	153,314
	<b>29,614</b>	185,893
	<b>2021</b>	2020
Measured at fair value:		
Fixed income funds (cost \$531,163, 2020 - \$372,685)	<b>535,622</b>	385,367
Equities and equity funds (cost \$408,253, 2020 - \$481,956)	<b>526,205</b>	543,088
Other mutual funds (cost \$Nil, 2020 - \$29,487)	-	30,007
	<b>1,061,827</b>	958,462

The cumulative unrealized gain on investments is \$122,411 (2020 - \$74,334). The change in unrealized gain on investments of \$48,077 is included in other items.

**The Kingston Humane Society**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2021*

**5. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2021 Net book value</b>	<b>2020 Net book value</b>
Land	110,000	-	110,000	110,000
Building	1,122,458	617,385	505,073	515,490
Parking lot	23,932	8,658	15,274	15,911
Furniture and equipment	284,688	141,552	143,136	39,914
Vehicles	54,642	54,084	558	798
Computer hardware	43,914	38,858	5,056	3,715
Computer software	7,512	7,512	-	-
	<b>1,647,146</b>	<b>868,049</b>	<b>779,097</b>	<b>685,828</b>

As at December 31, 2020, capital assets had an aggregate cost of \$1,490,180 and aggregate accumulated amortization of \$804,352.

**6. Deferred contributions**

Deferred contributions consist of restricted donations received that are related to subsequent periods. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are incurred.

Changes in the deferred contribution balance are as follows:

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	4,090	4,878
Amount received during the year	-	50
Less: Amount recognized as revenue during the year	(4,090)	(838)
Balance, end of year	-	4,090

The balance of deferred contributions is comprised of:

	<b>2021</b>	<b>2020</b>
Restricted donations	-	1,040
Skip and Barney restricted donations fund	-	3,050
	-	4,090

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**7. Deferred contributions related to capital assets**

Deferred capital contributions consist of the unamortized amount of restricted donations with which the Organization purchased capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	<b>56,968</b>	62,840
Amount received during the year	<b>5,000</b>	838
Less: Amounts recognized as revenue during the year	<b>(6,000)</b>	(6,710)
<b>Balance, end of year</b>	<b>55,968</b>	56,968

Investment in capital assets consists of:

	<b>2021</b>	<b>2020</b>
Capital assets	779,097	685,828
Deferred contributions related to capital assets	(55,968)	(56,968)
	<b>723,129</b>	<b>628,860</b>

**8. Bequests**

The Organization is the beneficiary of a perpetual trust, created by an estate. The income is recognized as revenue when it is paid to the Organization by the trustee, Royal Trust Corporation of Canada. During the year, \$38,737 (2020 - \$39,683) was received and included in bequests revenue.

**9. Professional fees**

Professional fees consist of:

	<b>2021</b>	<b>2020</b>
Audit and other professional accounting services	<b>16,136</b>	13,378
Bookkeeping and other services	<b>25,488</b>	25,183
Investment management fees	<b>12,190</b>	11,121
Legal	<b>-</b>	3,446
	<b>53,814</b>	53,128

**10. Government assistance**

During the year, the Organization recognized \$42,014 (2020 - \$128,019 in Canada Emergency Wage Subsidy ("CEWS") as other income. CEWS, introduced in response to the COVID-19 pandemic, provides eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods. There are no unfulfilled conditions related to amounts recognized. However, amounts claimed under these programs are subject to validation and detailed verification by the Federal Government.

**11. Credit facilities**

The Organization has credit card facilities in place with an aggregate limit of \$5,000 (2020 - \$5,000) of which \$703 (2020 - \$685) was utilized and is included in accounts payable and accrued liabilities at year end. The Organization has an available bank line of credit in the amount of \$350,000 (2020 - \$350,000), secured by investments, of which nil (2020 - nil) was utilized at year end.

**12. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***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 foreign 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 as a result of its investment accounts. The Organization manages this risk by working with professional investment managers to set investment strategies and monitor investment performance.

***Credit concentration***

Credit risk is the risk that one party will cause loss to another by failing to discharge a financial instrument. The Organization is exposed to credit risk as a result of its accounts receivable balance. Accounts receivable from the City of Kingston represents 33% (2020 - 78%) of total accounts receivable as at December 31, 2021. Accounts receivable from the Ministry of the Solicitor General represents 64% of total accounts receivable as at December 31, 2021. The Organization believes that there is minimal risk associated with the collection of these amounts, due to the overall credit worthiness of the City and a signed agreement in place with the City regarding services provided. The Organization performs regular credit assessments of its customers and provides allowances for potentially uncollectible 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 arising primarily from its accounts payable and accrued liabilities. The Organization's ability to meet its obligations depends on the receipt of funds from the City of Kingston, members of the surrounding community and other organizations.

***Changes in risk***

There have been no changes in the Organization's risk exposure from the previous year other than those specific matters noted above.

**13. Commitments**

Subsequent to year-end, the Board of Directors authorized expenditures totaling \$59,660 for the purpose of renovating the pet kitchen.

**14. Significant event**

Since March 2020 there has been a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canada, provincial and municipal governments regarding, travel, business operations and isolation/quarantine orders. At the time it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

During the year, the Organization was required to scale back operations in accordance with the Ontario government's requirements for non-essential businesses. This did not result in any lay-offs of employees. The Canada Emergency Wage Subsidy has been utilized to support the payment of employee wages. Refer to Note 11 for more details.