

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION  
OF CRUELTY TO ANIMALS**

**Non-consolidated Financial Statements  
For the Year Ended March 31, 2023**

# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Non-consolidated Financial Statements For the Year Ended March 31, 2023

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## Independent Auditor's Report

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**To the Directors of The Winnipeg Humane Society for the Prevention of Cruelty to Animals**

### **Opinion**

We have audited the non-consolidated financial statements of The Winnipeg Humane Society for the Prevention of Cruelty to Animals (the Society), which comprise the non-consolidated statement of financial position as at March 31, 2023, and the non-consolidated statement of operations, non-consolidated statement of changes in fund balances, and non-consolidated statement cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of The Winnipeg Humane Society for the Prevention of Cruelty to Animals as at March 31, 2023, and the results of its non-consolidated operations and its non-consolidated 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 Non-Consolidated 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 non-consolidated 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 Non-consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 Non-consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society and its controlled entities to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Winnipeg, Manitoba  
July 7, 2023

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS**  
**Non-consolidated Statement of Financial Position**

<b>As at March 31</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and bank	\$ 2,678,047	\$ 1,779,099
Accounts receivable	414,531	148,299
Bequest receivable	582,744	2,595,305
Inventory	136,215	124,811
Prepaid expenses	109,527	57,897
	<u>3,921,064</u>	<u>4,705,411</u>
<b>Investment</b> (Note 3)	<b>1,000</b>	<b>1,000</b>
<b>Capital assets</b> (Note 4)	<b>10,492,080</b>	<b>10,469,661</b>
	<u>\$ 14,414,144</u>	<u>\$ 15,176,072</u>

**Liabilities and Fund Balances**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 773,256	\$ 735,203
Deferred revenue and designated gifts (Note 6)	291,307	78,102
Due to the Foundation (Note 10)	784,223	896,999
Current portion of obligations under capital leases	10,144	21,928
	<u>1,858,930</u>	<u>1,732,232</u>
<b>Obligations under capital leases</b> (Note 7)	<b>-</b>	<b>8,022</b>
	<u>1,858,930</u>	<u>1,740,254</u>
<b>Fund Balances</b>		
Operating Fund		
Unrestricted	1,979,906	2,811,950
Invested in capital assets	10,481,936	10,439,711
Restricted Funds (Note 9)	93,372	184,157
	<u>12,555,214</u>	<u>13,435,818</u>
	<u>\$ 14,414,144</u>	<u>\$ 15,176,072</u>

Approved on behalf of the Board of Directors:

DocuSigned by:  
Howard Almdal \_\_\_\_\_ Director

DocuSigned by:  
Randall ("Randy") Tonnellier \_\_\_\_\_ Director

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS**  
**Non-consolidated Statement of Operations**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b> (Schedule 1)		
Donations	\$ 4,935,320	\$ 4,156,763
Fundraising events	935,046	634,367
Grants	792,409	641,185
Fees	2,527,926	2,251,995
Sales	340,675	244,544
Other	20,627	83,228
	<b>9,552,003</b>	<b>8,012,082</b>
<b>Expenses</b> (Schedule 2)		
Departments		
Animal adoptions	556,594	499,634
Animal advocacy	98,223	58,225
Animal behaviour	439,339	339,274
Animal intake/receiving	364,644	288,620
Clinic		
Clinic operations	1,891,680	1,659,541
One Health	422,974	-
Special projects	323,040	286,219
Communications and marketing	353,279	224,346
Education	191,976	147,971
Investigations and emergency response	771,273	675,009
Retail operations	222,628	136,908
Shelter	1,433,081	1,269,179
Volunteer and foster	280,187	197,058
	<b>7,348,918</b>	<b>5,781,984</b>
Development and fundraising	1,283,486	919,136
Administration	1,403,715	1,159,163
	<b>10,036,119</b>	<b>7,860,283</b>
<b>Excess (deficiency) of revenue over expenses before bequest allocation to the Foundation and other items</b>	<b>(484,116)</b>	<b>151,799</b>
<b>Bequest allocation to the Foundation</b> (Note 10)	<b>-</b>	<b>(150,000)</b>
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>(484,116)</b>	<b>1,799</b>
<b>Other Items</b>		
Amortization	(396,488)	(359,284)
Loss on disposal of capital assets	-	(4,492)
	<b>(396,488)</b>	<b>(363,776)</b>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (880,604)</b>	<b>\$ (361,977)</b>

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS**  
**Non-consolidated Statement of Changes in Fund Balances**

**For the year ended March 31, 2023**

	<u>Operating Fund</u>			<b>2023 Total</b>	2022 Total
	<u>Unrestricted</u>	<u>Invested in Capital Assets</u>	<u>Restricted Funds (Note 9)</u>		
<b>Balance, beginning of year,</b>	\$ 2,811,950	\$ 10,439,711	\$ 184,157	\$ 13,435,818	\$ 13,797,795
<b>Deficiency of revenue over expenses for the year</b>	(329,331)	(396,488)	(154,785)	(880,604)	(361,977)
<b>Interfund Transfers</b>					
Allocation (Note 9)	(64,000)	-	64,000	-	-
Acquisition of capital assets	(418,907)	418,907	-	-	-
Lease payments	(19,806)	19,806	-	-	-
<b>Balance, end of year</b>	<b>\$ 1,979,906</b>	<b>\$ 10,481,936</b>	<b>\$ 93,372</b>	<b>\$ 12,555,214</b>	<b>\$ 13,435,818</b>

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS**  
**Non-consolidated Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Deficiency of revenue over expenses for the year	\$ (880,604)	\$ (361,977)
Adjustment for non-cash items		
Amortization of capital assets	396,488	359,284
Loss on disposal of capital assets	-	4,492
	<u>(484,116)</u>	1,799
Changes in non-cash working capital		
Accounts receivable	(266,232)	29,375
Bequest receivable	2,012,561	(9,567)
Inventory	(11,404)	(13,644)
Prepaid expenses	(51,630)	21,579
Accounts payable and accrued liabilities	38,053	148,027
Deferred revenue and designated gifts	213,205	(128,727)
	<u>1,450,437</u>	48,842
<b>Cash Flows from Financing Activities</b>		
Net decrease in due to the Foundation	(112,776)	(680,521)
Lease payments	(19,806)	(21,928)
	<u>(132,582)</u>	(702,449)
<b>Cash Flows from Investing Activities</b>		
Acquisition of capital assets	(418,907)	(229,090)
<b>Net increase (decrease) in cash and bank</b>	<b>898,948</b>	<b>(882,697)</b>
<b>Cash and bank, beginning of year</b>	<b>1,779,099</b>	<b>2,661,796</b>
<b>Cash and bank, end of year</b>	<b>\$ 2,678,047</b>	<b>\$ 1,779,099</b>

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# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Notes to Non-consolidated Financial Statements

**For the year ended March 31, 2023**

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### 1. Nature of the Organization

The Winnipeg Humane Society for the Prevention of Cruelty to Animals (the Society) is dedicated to protecting all animals from suffering and to promoting their welfare and dignity. The Society is funded primarily by the generosity of donors and supporters.

The Society is incorporated under the laws of Manitoba without share capital. The Society is a registered charity (Charity #11964 7907 RR0002) under the Income Tax Act (Canada) and is therefore exempted from income taxes.

### 2. Summary of Significant Accounting Policies

#### (a) Basis of Accounting

The non-consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

#### (b) Basis of Accounting for Controlled Entities

The Society has not consolidated the financial statements of its controlled entities, The Winnipeg Humane Society Foundation (the Foundation) and The Winnipeg Humane Society Veterinary Corporation (VetCo). The summary financial statements of the controlled entities are disclosed in Note 10.

#### (c) Fund Accounting

The Society follows fund accounting and the restricted fund method of accounting for contributions.

The Operating Fund accounts for all revenue and expenses relating to the operations of the Society. The Operating Fund reports unrestricted resources, restricted operating grants and the fund balance invested in capital assets.

The Restricted Funds report contributions restricted for shelter facility improvements and special expenses at the discretion of the Board of Directors (Note 9).

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# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Notes to Non-consolidated Financial Statements

For the year ended March 31, 2023

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### 2. Summary of Significant Accounting Policies (continued)

(d) Revenue Recognition

Restricted contributions including grants and donations are recognized as revenue of the appropriate Fund in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no designated fund are recognized as revenue of the Operating Fund in the period in which the related expenses are incurred.

Unrestricted contributions including donations and fundraising are recognized as revenue of the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All investment income is unrestricted and is recognized as revenue when earned.

Fundraising events revenue is recognized as revenue when the fundraising event occurs.

Fees are recognized as revenue when services are rendered.

Sales are recognized as revenue at point of sale.

(e) Inventory

Inventory held for sale and consumption is valued at the lower of cost and net realizable value. Cost is determined on the average cost basis.

(f) Capital Assets

Property and equipment are recorded at cost, less accumulated amortization. The Society provides for amortization over the estimated useful life of the underlying asset using the following annual rates and methods:

Building	50 years straight-line
Computer equipment	30% declining balance
Clinic equipment	20% declining balance
Furniture and fixtures	20% declining balance
Vehicles	20% declining balance

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# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Notes to Non-consolidated Financial Statements

**For the year ended March 31, 2023**

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### 2. Summary of Significant Accounting Policies (continued)

(g) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments, including real property, are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

(h) Contributed Services

A large number of people have volunteered significant amounts of their time to the Society. Management estimates that during the year ended March 31, 2023, 590 people contributed 19,681 hours and during the year ended March 31, 2022, 309 people contributed 13,975 hours. No objective basis is available to measure the value of this significant contribution and no amount has been reflected in the non-consolidated financial statements for contributed services.

(i) Gifts-in-Kind

Donated materials and services are recorded when the materials or services would have to be purchased if they were not donated, and where an estimate of fair value can be reasonably determined. During the year, the Society recorded \$138,729 of gifts-in-kind (\$59,116 in 2022) (Schedule 1).

(j) Use of Estimates

The preparation of financial statements in accordance 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 contingencies at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates include allowance for doubtful accounts receivable and the estimated useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Notes to Non-consolidated Financial Statements

**For the year ended March 31, 2023**

### 3. Investment

The Society holds one common share in Western Drug Distribution Center Limited at March 31, 2023 and 2022.

### 4. Capital Assets

	2023			2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	\$ 544,189	\$ -	\$ 544,189	\$ 544,189	\$ -	\$ 544,189
Building	13,521,313	4,116,587	9,404,726	13,397,496	3,846,160	9,551,336
Computer equipment	630,867	424,595	206,272	522,473	359,420	163,053
Clinic equipment	231,709	145,131	86,578	191,929	128,459	63,470
Furniture and fixtures	1,131,778	990,558	141,220	1,070,683	962,890	107,793
Vehicles	191,630	82,535	109,095	105,809	65,989	39,820
	<b>\$ 16,251,486</b>	<b>\$ 5,759,406</b>	<b>\$ 10,492,080</b>	<b>\$ 15,832,579</b>	<b>\$ 5,362,918</b>	<b>\$ 10,469,661</b>

The net book value of capital assets acquired under capital leases are clinic equipment in the amount of \$6,025 (\$7,531 in 2022) and vehicles in the amount of \$30,280 (\$37,850 in 2022).

### 5. Credit Facilities

The Society has available through the Bank of Nova Scotia a line of credit of \$950,000 which bears interest at prime plus 0.25% with an effective rate of 6.95% at March 31, 2023, and a credit card facility of \$50,000. The credit facilities are due on demand and are secured by a first collateral mortgage in the amount of \$1,000,000 providing a first fixed charge on the land and property located at 45 Hurst Way, Winnipeg, Manitoba and by a general security agreement constituting a first ranking security interest in all property of the Society. At March 31, 2023, the Society had not drawn on the line of credit.

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**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS**  
**Notes to Non-consolidated Financial Statements**

**For the year ended March 31, 2023**

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**6. Deferred Revenue and Designated Gifts**

The changes in the deferred revenue and unspent designated gifts balance are as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 78,102	\$ 206,829
Add: Amounts received during the year	671,744	122,338
Less: Amounts recognized in revenue during the year	<u>(458,539)</u>	<u>(251,065)</u>
Balance, end of year	<u>\$ 291,307</u>	<u>\$ 78,102</u>

**7. Lease Commitments**

The Society has operating lease commitments for one vehicle expiring in October 2023 requiring lease payments totaling \$9,136 and for equipment requiring quarterly lease payments of \$1,143.

The Society has clinic equipment under a capital lease costing \$20,431, bearing interest at 8.97%, and maturing in December 2023. The Society also has one vehicle under a capital lease costing \$53,277, bearing interest at 4.99%, and maturing in November 2023. Interest expense on the capital leases of \$1,139 (\$2,242 in 2022) for the year ended March 31, 2023 is included with administration expenses in the Non-consolidated Statement of Operations.

Total lease payments required for the year ending March 31, 2024 are \$23,955.

**8. Pension Plan**

The Society maintains a defined contribution pension plan on behalf of the Society's employees and an RRSP matching program for Union employees. For the year ended March 31, 2023, contributions to the plan were \$85,802 and contributions to the program were \$5,737 (\$64,968 and \$2,712 in 2022).

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS**  
**Notes to Non-consolidated Financial Statements**

**For the year ended March 31, 2023**

**9. Internally Restricted Funds**

Transactions in Restricted Funds for the year are as follows:

				2023	2022
	Archie Almdal's Second Chance Fund	Capital Improvements	Training and Opportunities	Total	Total
Balance, beginning of year	\$ 91,002	\$ 70,000	\$ 23,155	\$ 184,157	\$ 200,937
Allocation	-	-	64,000	64,000	195,000
Expenses for the year	(67,630)	-	(87,155)	(154,785)	(211,780)
Balance, end of year	<b>\$ 23,372</b>	<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ 93,372</b>	<b>\$ 184,157</b>

Expenses for the year are included in the expenses presented in the Non-consolidated Statement of Operations.

**10. Controlled Entities and Due to the Foundation**

The Winnipeg Humane Society Foundation

Directors of the Foundation's Board of Directors are Directors of the Society. In addition, the Society and Foundation have common management. As a consequence, the Society controls the strategic operating, investing and financing policies of the Foundation. The Foundation maintains an investment portfolio to allow for the progressive planning and implementation of capital and other projects which will support the endeavours of the Society when necessary.

The Foundation is incorporated under the laws of Manitoba without share capital. The Foundation is a public foundation under the Income Tax Act (Canada) and is therefore exempted from income taxes.

# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Notes to Non-consolidated Financial Statements

**For the year ended March 31, 2023**

### 10. Controlled Entity and Due to the Foundation (continued)

The Foundation's financial statements have not been consolidated in the Society's financial statements. Financial statements of the Foundation are available on request. The financial summaries of the unconsolidated entity for the year ended March 31, 2023 and March 31, 2022 are as follows:

#### Statement of Financial Position

	2023	2022
Total assets	<b>\$ 8,031,547</b>	\$ 7,912,222
Total liabilities	<b>\$ 28,000</b>	\$ 6,000
Total fund balances	<b>8,003,547</b>	7,906,222
	<b>\$ 8,031,547</b>	<b>\$ 7,912,222</b>

#### Results of Operations

	2023	2022
Total revenue	<b>\$ 343,946</b>	\$ 953,029
Total expenses	<b>246,621</b>	222,152
Excess of revenue over expenses for the year	<b>\$ 97,325</b>	\$ 730,877

#### Statement of Cash Flows

	2023	2022
Cash provided by operations	<b>\$ 359,385</b>	\$ 1,324,213
Cash provided applied to investing and financing activities	<b>(23,135)</b>	(1,438,069)
Net increase (decrease) in cash and bank for the year	<b>\$ 336,250</b>	\$ (113,856)

As at March 31, 2023, the Society has a remaining amount due to the Foundation of \$784,223 (\$896,999 at March 31, 2022). The balance arose principally as a result of advances and bequests allocated to the Foundation unpaid by the Society at year end. The balance due to the Foundation bears no interest, has no fixed terms of repayment and is unsecured.

During the year, the Society made no allocation (\$150,000 in 2022) to the Foundation representing a portion of bequests received during the year.

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# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Notes to Non-consolidated Financial Statements

**For the year ended March 31, 2023**

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### **10. Controlled Entity and Due to the Foundation (continued)**

Annually the Foundation provides a grant to the Society representing principally the amount of investment income earned available for distribution on endowment funds and other investments held at The Winnipeg Foundation. During the year, the Society recognized total revenue granted by the Foundation of \$183,583 (Schedule 1) which consists of the amount granted during the year by the Foundation. During the prior year, the Society recognized total revenue granted by the Foundation of \$205,894 which consisted of the amount granted during the prior year by the Foundation of \$164,842 and the portion that had been presented as designated gifts received during the prior year unspent at March 31, 2021 of \$41,052.

The allocation to the Foundation and the grant from the Foundation are presented at the exchange amount.

#### The Winnipeg Humane Society Veterinary Corporation

The majority of the Directors of VetCo serve as Directors of the Society. As a consequence, the Society controls the strategic operating, investing and financing policies of VetCo. VetCo operates a veterinary clinic. The Society will pay service fees under contract effective April 1, 2020 to VetCo to perform veterinary services on animals surrendered to the Society. However, due to the COVID-19 pandemic, this launch has been delayed. VetCo will pay rental and management fees to the Society for use of the building, clinic equipment and administrative services.

VetCo is incorporated under the laws of Manitoba without share capital. VetCo is non-profit organization under the Income Tax Act (Canada) and is therefore exempted from income taxes.

VetCo's financial statements have not been consolidated in the Society's financial statements as VetCo had no activity for the years ended March 31, 2023 and March 31, 2022.

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# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Notes to Non-consolidated Financial Statements

**For the year ended March 31, 2023**

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### **11. Financial Instrument Risk Management**

The Society, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The Society's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Society's activities. The following analysis provides a measurement of those risks.

#### Credit Risk

Credit risk is the risk that the Society will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Society to significant concentrations of credit risk consist primarily of cash and cash equivalents and donations and accounts receivable. The Society is not exposed to significant credit risk relating to donations and accounts receivable as the amounts due are spread among a broad client base and payment in full is typically collected when it is due. The Society recognizes pledges as revenue in the period collected.

#### Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its obligations as they fall due. Financial instruments that potentially subject the Society to significant concentrations of liquidity risk include accounts payable. The Society manages its liquidity to maintain adequate levels of working capital to ensure its obligations can be met when they fall due.

# THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

## Schedule 1 - Revenue

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Donations</b>		
Bequests	\$ 1,765,434	\$ 1,159,686
Direct response	1,141,488	1,218,472
General	918,788	942,424
Major gifts	724,102	611,835
Gifts-in-Kind		
Shelter feed and litter	75,116	41,872
General	63,613	17,244
Other (designated gifts, newsletter, education programs)	246,779	165,230
	<b>\$ 4,935,320</b>	<b>\$ 4,156,763</b>
<b>Fundraising Events</b>		
Lottery	\$ 362,700	\$ -
Bow Wow Ball Virtual Auction	182,425	122,400
Third party events	138,317	169,604
50/50 raffle and other	132,375	132,046
1001 Donations	119,229	120,487
Paws in Motion	-	89,830
	<b>\$ 935,046</b>	<b>\$ 634,367</b>
<b>Grants</b>		
Other	\$ 448,253	\$ 277,601
The Winnipeg Humane Society Foundation (Note 10)	183,583	205,894
City of Winnipeg - FIXIT Cat Spay and Neuter Program	145,057	145,096
Green Team and Human Resources Canada	15,516	12,594
	<b>\$ 792,409</b>	<b>\$ 641,185</b>
<b>Fees</b>		
City of Winnipeg fee for service contract	\$ 801,484	\$ 691,741
Adoptions	636,256	552,917
Provincial Veterinary Office	517,463	502,391
Clinic fees	282,508	212,728
Subsidized Spay and Neuter Assistance Program (SNAP)	109,525	111,961
Education Program fees	76,455	49,029
Dog obedience classes	48,943	74,127
Kennel and shelter fees	44,309	39,821
Other programs and services	6,603	5,770
FIXIT Cat Spay and Neuter Program	4,380	11,510
	<b>\$ 2,527,926</b>	<b>\$ 2,251,995</b>
<b>Sales</b>		
Gift Shop	\$ 209,275	\$ 118,894
Clinic	105,638	104,886
Microchips	18,309	12,285
Shelter - Sale of donated items	7,453	8,479
	<b>\$ 340,675</b>	<b>\$ 244,544</b>
<b>Other</b>		
Interest, dividends and other income	\$ 20,627	\$ 83,228
<b>Total revenue</b>	<b>\$ 9,552,003</b>	<b>\$ 8,012,082</b>

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS  
Schedule 2 - Expenses**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Animal Adoptions</b>		
Salaries and employee benefits	\$ 513,721	\$ 468,813
Program expenses	28,123	20,801
Satellite adoption fees	14,750	10,020
	<u>\$ 556,594</u>	<u>\$ 499,634</u>
<b>Animal Advocacy</b>		
Program expenses	\$ 93,202	\$ 56,680
Training and travel	5,021	1,545
	<u>\$ 98,223</u>	<u>\$ 58,225</u>
<b>Animal Behaviour</b>		
Salaries and employee benefits	\$ 409,816	\$ 328,313
Program expenses	29,523	10,961
	<u>\$ 439,339</u>	<u>\$ 339,274</u>
<b>Animal Intake/Receiving</b>		
Salaries and employee benefits	\$ 335,565	\$ 274,185
Program expenses	29,079	14,435
	<u>\$ 364,644</u>	<u>\$ 288,620</u>
<b>Clinic - Clinic Operations</b>		
Salaries and employee benefits	\$ 1,329,537	\$ 1,110,130
Medical supplies	297,318	232,969
Program expenses	103,962	172,210
Medical vaccinations	59,977	48,122
Cost of sales for clinic supplies	51,712	65,564
Other supplies	26,139	16,067
Emergency veterinary services	23,035	14,479
	<u>\$ 1,891,680</u>	<u>\$ 1,659,541</u>
<b>Clinic - One Health</b>		
Salaries and employee benefits	\$ 294,297	\$ -
Clinic medical supplies	66,930	-
Program expenses	61,747	-
	<u>\$ 422,974</u>	<u>\$ -</u>
<b>Clinic - Special Projects</b>		
Salaries and employee benefits	\$ 179,827	\$ 188,770
Contract services	120,619	33,789
Clinic medical supplies	19,270	52,875
Shelter supplies	3,324	10,785
	<u>\$ 323,040</u>	<u>\$ 286,219</u>

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS**  
**Schedule 2 - Expenses (continued)**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Communications and Marketing</b>		
Salaries and employee benefits	\$ 141,492	\$ 122,875
Program advertising	110,232	3,174
Program expenses	66,525	71,779
Marketing	17,855	17,807
Website	17,175	8,711
	<b>\$ 353,279</b>	<b>\$ 224,346</b>
<b>Education</b>		
Salaries and employee benefits	\$ 175,232	\$ 137,258
Program expenses	16,744	10,713
	<b>\$ 191,976</b>	<b>\$ 147,971</b>
<b>Investigations and Emergency Response</b>		
Salaries and employee benefits	\$ 709,424	\$ 616,146
Vehicle operations	36,697	31,560
Program expenses	15,109	15,107
Cell phones, radios, pagers	8,114	8,051
Uniforms	1,929	4,145
	<b>\$ 771,273</b>	<b>\$ 675,009</b>
<b>Retail Operations</b>		
Cost of sales	\$ 133,506	\$ 85,172
Salaries and employee benefits	84,101	42,483
Program expenses	5,021	9,253
	<b>\$ 222,628</b>	<b>\$ 136,908</b>
<b>Shelter</b>		
Salaries and employee benefits	\$ 790,203	\$ 761,654
Repairs and maintenance	209,780	183,909
Utilities	167,525	149,646
Shelter supplies	144,656	87,784
Gifts-in-Kind - Shelter feed and litter	75,116	41,872
Program expenses	25,369	25,628
Refuse disposal	20,432	18,686
	<b>\$ 1,433,081</b>	<b>\$ 1,269,179</b>
<b>Volunteer and Foster</b>		
Salaries and employee benefits	\$ 266,818	\$ 185,288
Program expenses	13,369	11,770
	<b>\$ 280,187</b>	<b>\$ 197,058</b>

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS  
Schedule 2 - Expenses (continued)**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Development and Fundraising</b>		
Lottery	\$ 426,461	\$ 1,805
Salaries and employee benefits	329,108	403,556
Direct response campaigns	200,711	185,509
Fundraising Events		
Bow Wow Ball Virtual Auction	70,367	53,758
50/50 raffle	66,642	63,013
Third party events	22,937	25,368
1001 Donations	147	20,245
Paws in Motion	-	13,449
Gifts-in-Kind - General	63,613	17,244
Development program expenses	61,842	77,302
Postage	15,955	16,434
Fundraising programs expense	14,792	12,799
Major and planned giving	10,911	28,654
	<b>\$ 1,283,486</b>	<b>\$ 919,136</b>
<b>Administration</b>		
Salaries and employee benefits	\$ 817,994	\$ 575,455
Information technology and computer support	167,025	168,724
Property taxes	121,316	107,972
Professional fees (audit, legal, human resources contract)	116,779	154,118
Payroll and bank charges	47,483	40,957
Other	32,848	26,273
Telephone and communications	26,396	23,403
Property insurance	24,170	22,629
Office equipment and supplies	14,793	9,348
Employee engagement	13,267	3,811
Training and travel	11,852	18,988
Board insurance and expenses	9,792	7,485
	<b>\$ 1,403,715</b>	<b>\$ 1,159,163</b>
<b>Total expenses</b>	<b>\$ 10,036,119</b>	<b>\$ 7,860,283</b>

**THE WINNIPEG HUMANE SOCIETY FOR THE PREVENTION OF  
CRUELTY TO ANIMALS**

**Schedule 3 - Schedule of Revenue and Expenses  
FIXIT Cat Spay and Neuter Program**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Grant		
City of Winnipeg	\$ 145,057	\$ 145,096
Fees		
Public Spay and Neuter Assist Program	<u>4,380</u>	<u>11,510</u>
	<u>149,437</u>	<u>156,606</u>
<b>Expenses</b>		
Salaries and employee benefits	179,827	188,770
Contract services		
Community Program Coordinator	12,203	29,285
Veterinary clinic services	108,416	4,504
Clinic medical supplies	19,270	52,875
Shelter supplies	<u>3,324</u>	<u>10,785</u>
	<u>323,040</u>	<u>286,219</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (173,603)</b>	<b>\$ (129,613)</b>