NORTHUMBERLAND HUMANE SOCIETY

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

WILKINSON

NORTHUMBERLAND HUMANE SOCIETY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Northumberland Humane Society (the Organization), which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, revenue and expenditures 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, 2024, and its results of 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 charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether, as at and for the years ended December 31, 2024 and December 31, 2023, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

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 these 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.

WILKINSON & COMPANY LLP - CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT
(CONT'D)

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.

Wilkinson & Company LLP

TRENTON, Canada
July 23, 2025

Chartered Professional Accountants
Licensed Public Accountants

WILKINSON

NORTHUMBERLAND HUMANE SOCIETY
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	General Fund $	Restricted Funds $	2024 Total $	2023 Total $
ASSETS				
CURRENT				
Cash - Note 3	156,857	5,979	**162,836**	112,941
Investments (Cost - $2,262,278) - Note 4	2,551,476	-	**2,551,476**	2,668,723
Accounts receivable	12,483	-	**12,483**	14,527
Harmonized sales tax recoverable	18,230	-	**18,230**	32,928
Prepaid expenses	22,513	-	**22,513**	11,080
Interfund amounts receivable	-	6,636	**6,636**	44,373
	2,761,559	12,615	**2,774,174**	2,884,572
TANGIBLE CAPITAL ASSETS - Note 5	2,225,126	-	**2,225,126**	1,092,990
	4,986,685	12,615	**4,999,300**	3,977,562
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	41,533	-	**41,533**	45,498
Accrued payroll	28,939	-	**28,939**	20,287
Employee deductions payable	1,744	-	**1,744**	1,744
Interfund amounts payable	6,636	-	**6,636**	44,373
Deferred income	636	3,307	**3,943**	39,325
Mortgage payable - Note 7	440,452	-	**440,452**	-
	519,940	3,307	**523,247**	151,227
DEFERRED CAPITAL CONTRIBUTIONS - Note 6	343,000	-	**343,000**	-
	862,940	3,307	**866,247**	151,227
NET ASSETS	4,123,745	9,308	**4,133,053**	3,826,335
	4,986,685	12,615	**4,999,300**	3,977,562

APPROVED ON BEHALF OF THE BOARD

S J Edwards _______________ Director

_______________ Director

The accompanying notes form an integral part of these financial statements

NORTHUMBERLAND HUMANE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Funds $	Restricted Funds $	**2024 Total $**	2023 Total $
Net assets - beginning of year	3,817,038	9,297	**3,826,335**	2,985,934
Excess of revenues over expenses	306,707	11	**306,718**	840,401
Net assets - end of year	4,123,745	9,308	**4,133,053**	3,826,335

NORTHUMBERLAND HUMANE SOCIETY
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Funds $	Restricted Funds $	**2024 Total $**	2023 Total $
REVENUE				
Animal control	174,116	-	**174,116**	153,617
Bequests	356,552	-	**356,552**	427,803
Docupet income	2,948	-	**2,948**	2,377
Donations and memberships	198,941	4,150	**203,091**	128,374
Fundraising projects	82,615	-	**82,615**	77,111
Grants	66,652	-	**66,652**	24,408
Rental income	12,348	-	**12,348**	12,422
Shelter services	126,965	-	**126,965**	106,685
Thrift store sales	132,569	-	**132,569**	107,347
	1,153,706	4,150	**1,157,856**	1,040,144
EXPENSES - Schedule I	1,157,587	4,139	**1,161,726**	958,277
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(3,881)	11	**(3,870)**	81,867
OTHER INCOME				
Dividend income	5,347	-	**5,347**	6,510
Deferred capital contributions	7,000	-	**7,000**	-
Gain on disposal of capital assets	-	-	-	163,252
Gain on sale of marketable securities	71,695	-	**71,695**	104
Unrealized gain on marketable securities	169,716	-	**169,716**	178,631
Income from mergers	-	-	-	356,358
Interest income	56,830	-	**56,830**	53,678
	310,588	-	**310,588**	758,533
EXCESS OF REVENUES OVER EXPENDITURES	306,707	11	**306,718**	840,400

NORTHUMBERLAND HUMANE SOCIETY
EXPENSES
SCHEDULE I
FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Funds $	Restricted Funds $	**2024 Total $**	2023 Total $
Accounting fees	11,500	-	**11,500**	28,497
Advertising and promotion	-	-	**-**	939
Amortization	60,138	-	**60,138**	24,245
Bad debts	-	-	**-**	9,000
Bank charges and interest	23,228	-	**23,228**	5,444
Docupet expenses	-	-	**-**	1,240
Equipment rentals	5,555	-	**5,555**	4,207
Fundraising expenses	25,437	-	**25,437**	15,870
General and administrative	28,754	-	**28,754**	29,873
Grant service expenses	-	-	**-**	3,494
Insurance	20,366	-	**20,366**	14,532
Management fees	15,121	-	**15,121**	14,456
Meals and entertainment	3,272	-	**3,272**	606
Meetings and conventions	-	-	**-**	2,100
Non-recoverable HST	29,525	-	**29,525**	-
Office	36,692	-	**36,692**	33,051
Property taxes	29,435	-	**29,435**	16,392
Repairs and maintenance	59,528	-	**59,528**	29,635
Salaries and wages	591,308	-	**591,308**	538,601
Supplies	60,321	-	**60,321**	53,469
Telephone	9,278	-	**9,278**	8,329
Utilities	22,620	-	**22,620**	24,143
Vehicle	6,367	-	**6,367**	10,715
Veterinary fees	119,142	4,139	**123,281**	89,439
	1,157,587	4,139	**1,161,726**	958,277

NORTHUMBERLAND HUMANE SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 $	2023 $
OPERATING ACTIVITIES		
Net earnings for year	**306,718**	840,400
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	**60,138**	24,245
Gain on disposal of property, plant and equipment	**-**	(163,252)
	366,856	701,393
Net change in non-cash working capital balances related to operations - Note 8	**317,614**	(595,042)
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	**684,470**	106,351
INVESTING ACTIVITIES		
(Increase) decrease in investments	**117,247**	(14,934)
Purchase of tangible capital assets	**(1,192,274)**	(265,608)
Proceeds on sale of tangible capital assets	**-**	241,200
CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,075,027)**	(39,342)
FINANCING ACTIVITIES		
Issuance of mortgage	**440,452**	-
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	**440,452**	-
NET INCREASE IN CASH AND CASH EQUIVALENTS FOR YEAR	**49,895**	67,009
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**112,941**	45,932
CASH AND CASH EQUIVALENTS - END OF YEAR	**162,836**	112,941

NORTHUMBERLAND HUMANE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. NATURE OF BUSINESS

Northumberland Humane Society was established in 1966. It served the local community for over 50 years in Port Hope before moving to it's current location in Cobourg. The Organization is a registered charity under the *Income Tax Act (Canada)* (the "Act") and accordingly, is exempt from income taxes.

The Organization's mission is to improve the lives of animals. The Organization's vision is a community, in which all animals are safe, supported and valued.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Organization that are considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(b) Accounting 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. Significant items subject to such estimates and assumptions include valuation of accounts receivable, deferred contributions, and the estimated useful life of tangible capital assets. Actual results could differ from those estimates.

(c) Tangible Capital Assets and Amortization

Tangible capital assets are stated at acquisition cost. Gains or losses on the disposal of individual assets are recognized in earnings in the year of disposal. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below

Asset	Basis	Rate
Buildings	Declining balance	4%
Computer equipment	Declining balance	55%
Furniture and fixtures	Declining balance	20%
Vehicle	Declining balance	30%

NORTHUMBERLAND HUMANE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2. ACCOUNTING POLICIES - (Cont'd)

(d) Fund Accounting

Northumberland Humane Society follows the restricted fund method of accounting for contributions, which includes support from the public and bequests.

Revenues and expenses related to the company's program delivery and administrative activities are reported in the unrestricted funds.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to Northumberland Humane Society's capital assets and building expansion campaign.

The Restricted Fund was established by a contribution from a donor with the restriction that the funds not be used for operating expenses. No restrictions have been placed on revenues generated from the Restricted Fund, and accordingly any revenues generated by the Restricted Fund are reported in the Operating Fund.

(e) Donations in-Kind

The financial statements reflect donations in-kind when such goods or services would otherwise have been purchased and their value can be determined.

(f) Revenue Recognition

Northumberland Humane Society follows the Restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Funding the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Income from investments consist of dividend and interest income and the change in the market value of investments. The income is recognized as revenue when earned. Unrecognized gains or losses on the investments are included in investment income in the year in which they are identified.

Revenue from fees for service and sale of goods is recognized when the services are provided or the goods are sold.

Bequests and grants are recognized as revenue in the General Fund when received or in the Restricted fund if there are restrictions on the use of the funds.

NORTHUMBERLAND HUMANE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2. ACCOUNTING POLICIES - (Cont'd)

(g) Capital Disclosures

The Organization defines its capital as the amounts included in its net asset balances. The Organization's objective when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its stakeholders. The Organization sets the amount of its internally restricted net asset balances in proportion to risk, manages the net asset structure and makes adjustments to them in light of changes in economic conditions and risk characteristics of the underlying assets.

(h) Harmonized Sales Tax and GST

Contributed materials and services are recoverable at 70% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

(i) Financial Instruments

(i) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except for equities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash and equivalents, accounts receivable and other accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and long-term debt.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the impairment amount previously recognized.

(j) Contributed Services

Directors, committee members and owners volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made, and accordingly, these contributed services are not recognized in the financial statements.

NORTHUMBERLAND HUMANE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2. ACCOUNTING POLICIES - (Cont'd)

(k) Measurement Uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FUND BALANCE RESTRICTIONS

During 2009, the Organization received a bequest ("Pet Aid") that specified that the bequest funds were to be used to subsidize the cost of spay and neuter procedures on pets belonging to individuals with reduced incomes. The funds are not to be used for operating expenses of the Society. The separate bank account set up to ensure that the terms of this bequest were honoured was closed in 2022, with the balance being tracked through offsetting asset and liability accounts. As at December 31, 2024 the balance in this account was $5,979 (2023 - $3,634). As a condition of retaining this fund, the Organization is required to report annually to the trustee of the estate as to the transactions in the fund during the year.

The Organization undertakes bingo events as part of its fundraising activities. In accordance with the terms of the bingo operating agreement, funds raised from bingo events may not be used to pay administrative expenses. As at December 31, 2024 the balance in the bingo account was $752 (2023 - $810), which was included in the general cash balance of the Society.

4. INVESTMENTS

	2024	2023
	$	$
Investment in mutual funds - at cost	**2,262,278**	2,556,650
Adjustment to market value at date of report	**289,198**	112,073
	2,551,476	2,668,723

Investments are reported at their market value at year-end. All investments are held with CIBC Wealth Management. As at year-end, investments have an unrealized gain of $289,198.

NORTHUMBERLAND HUMANE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

5. TANGIBLE CAPITAL ASSETS

	2024		2023	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
	$	**$**	$	$
Land	**533,552**	**-**	423,552	-
Buildings	**1,834,716**	**177,114**	752,442	130,595
Computer equipment	**4,048**	**3,839**	4,048	3,584
Furniture and fixtures	**64,034**	**57,834**	64,034	56,283
Vehicles	**46,325**	**18,762**	46,325	6,949
	2,482,675	**257,549**	1,290,401	197,411
Cost less accumulated amortization	**$ 2,225,126**		$ 1,092,990	

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of the following:

	2024	2023
	$	$
Charitable donation from purchase of 24 Covert Street building	**350,000**	-
Less: Amortization of deferred capital contributions	**(7,000)**	-
Ending balance	**343,000**	-

NORTHUMBERLAND HUMANE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

7. MORTGAGE PAYABLE

Mortgage payable consists of the following:

	2024 $	2023 $
Mortgage from the purchase of 24 Covert Street building, bearing interest at 4% and is secured by the building with a carrying value of $1,027,755. The mortgage is repayable in monthly payments of $2,368 including interest. Remaining balance paid off subsequent to year-end February 2025.	**440,452**	-

8. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in) non-cash working capital is compiled as follows:

	2024 $	2023 $
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	**2,044**	(682,189)
Harmonized sales tax recoverable	**14,698**	390,299
Prepaid expenses	**(11,434)**	(5,515)
	5,308	(297,405)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**(3,965)**	27,236
Accrued payroll	**8,653**	(456)
Employee deductions payable		(384)
Deferred income	**(35,382)**	(324,033)
Deferred capital contributions	**343,000**	-
	312,306	(297,637)
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	**317,614**	(595,042)

NORTHUMBERLAND HUMANE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

9. FINANCIAL RISKS AND CONCENTRATION OF RISK

In the normal course of business, the Organization is exposed to a number of risks that can affect its operational performance. These risks are as follows:

(a) Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization currently has limited interest rate risk.

(b) 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, 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 through its investment in quoted shares.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to the risk of its investment portfolio of $2,551,476.

(d) Credit Risk

Credit risk is the risk of financial loss to the Organization if a counterparty fails to discharge an obligation. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

10. COMPARATIVE FIGURES

In order to conform with the financial statement presentation adopted for the current year, certain elements of the comparative figures have been regrouped.