

**THE PETERBOROUGH HUMANE SOCIETY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**THE PETERBOROUGH HUMANE SOCIETY**

**FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITOR'S REPORT**

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**To the Directors of The Peterborough Humane Society**

**www.bakertilly.ca**

### *Qualified Opinion*

We have audited the financial statements of The Peterborough Humane Society (the Society), which comprise the statement of financial position as at December 31, 2023, the statements of operations and changes in fund balances 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 effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2023, 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 most not-for-profit organizations, The Peterborough Humane Society derives revenue from fundraising, memberships and donations, and bequests, the completeness of which is not susceptible to satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the Society and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expense, 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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

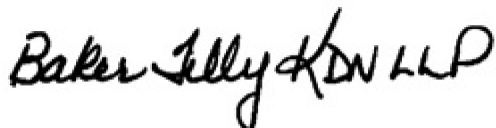
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario

May 24, 2024

# THE PETERBOROUGH HUMANE SOCIETY

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	Unrestricted 2023 \$	Capital 2023 \$	Animal Care Centre Campaign 2023 \$	Total 2023 \$	Total 2022 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	339,722	-	931,890	1,271,612	1,134,476
Investments	-	-	-	-	349
Accounts receivable (note 3)	33,764	237,178	5,000	275,942	324,666
HST receivable	36,977	-	-	36,977	287,737
Inventory	24,472	-	-	24,472	-
Interfund receivable (payable) (note 4)	(394,269)	394,269	-	-	-
Prepaid expenses and deposits	51,650	-	-	51,650	2,279
<b>Total current assets</b>	<b>92,316</b>	<b>631,447</b>	<b>936,890</b>	<b>1,660,653</b>	<b>1,749,507</b>
<b>Tangible capital assets (note 5)</b>	<b>-</b>	<b>13,290,507</b>	<b>-</b>	<b>13,290,507</b>	<b>12,828,027</b>
<b>Total assets</b>	<b>92,316</b>	<b>13,921,954</b>	<b>936,890</b>	<b>14,951,160</b>	<b>14,577,534</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities (note 6)	213,586	27,074	-	240,660	1,057,685
Deferred revenue (note 7)	58,320	-	-	58,320	44,328
Current portion of loans payable (note 8)	-	-	-	-	40,000
<b>Total current liabilities</b>	<b>271,906</b>	<b>27,074</b>	<b>-</b>	<b>298,980</b>	<b>1,142,013</b>
<b>Long term liabilities</b>					
Deferred rental revenue (note 9)	-	1,903,069	-	1,903,069	2,000,000
Loans payable (note 8)	-	4,062,946	-	4,062,946	4,256,422
<b>Total long term liabilities</b>	<b>-</b>	<b>5,966,015</b>	<b>-</b>	<b>5,966,015</b>	<b>6,256,422</b>
<b>Total liabilities</b>	<b>271,906</b>	<b>5,993,089</b>	<b>-</b>	<b>6,264,995</b>	<b>7,398,435</b>
<b>Fund balances</b>					
Unrestricted	(179,590)	-	-	(179,590)	(59,793)
Invested in tangible capital assets	-	7,928,865	-	7,928,865	6,527,357
Externally restricted - capital campaign	-	-	936,890	936,890	711,535
<b>Total fund balances</b>	<b>(179,590)</b>	<b>7,928,865</b>	<b>936,890</b>	<b>8,686,165</b>	<b>7,179,099</b>
<b>Total liabilities and fund balances</b>	<b>92,316</b>	<b>13,921,954</b>	<b>936,890</b>	<b>14,951,160</b>	<b>14,577,534</b>

Approved on behalf of the Board:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

The accompanying notes are an integral part of these financial statements

# THE PETERBOROUGH HUMANE SOCIETY

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2023

	Unrestricted 2023 \$	Capital 2023 \$	Animal Care Centre Campaign 2023 \$	Total 2023 \$	Total 2022 \$
<b>Revenue</b>					
Municipal fees	475,519	-	-	475,519	457,741
Shelter services	394,832	-	-	394,832	453,018
Donations	299,360	-	639,827	939,187	1,105,390
Fundraising	101,218	-	-	101,218	28,148
Investment income	18,183	-	9,441	27,624	13,876
Spay and neuter revenue	929,046	-	-	929,046	-
Grant revenue (note 10)	5,741	885,723	-	891,464	393,401
Miscellaneous income	6,679	-	-	6,679	8,972
OSPCA rental income (note 9)	96,931	-	-	96,931	-
Government assistance	-	-	-	-	21,346
Realized loss on sale of investments	(155)	-	-	(155)	(263)
	<b>2,327,354</b>	<b>885,723</b>	<b>649,268</b>	<b>3,862,345</b>	<b>2,481,629</b>
<b>Expense</b>					
Salaries and benefits	1,222,045	-	130,412	1,352,457	1,056,413
Animal care	343,977	-	-	343,977	263,571
Fundraising	21,962	-	1,418	23,380	11,678
Office	88,745	-	-	88,745	68,567
Occupancy	133,062	-	-	133,062	71,534
Professional fees	34,607	-	-	34,607	24,560
Vehicle	12,713	-	-	12,713	14,710
Amortization	-	328,801	-	328,801	46,181
Advertising and promotion	17,240	-	-	17,240	4,207
Interest and bank charges	40,440	337,324	-	377,764	15,308
Insurance	34,721	-	-	34,721	18,019
Training	10,466	-	-	10,466	7,157
Spay and neuter expenses	581,696	-	-	581,696	58,891
	<b>2,541,674</b>	<b>666,125</b>	<b>131,830</b>	<b>3,339,629</b>	<b>1,660,796</b>
<b>Excess (deficiency) of revenue over expense for the year</b>	<b>(214,320)</b>	<b>219,598</b>	<b>517,438</b>	<b>522,716</b>	<b>820,833</b>
<b>Gain on sale of capital assets</b>	<b>-</b>	<b>984,350</b>	<b>-</b>	<b>984,350</b>	<b>-</b>
<b>Excess (deficiency) of revenue over expense for the year</b>	<b>(214,320)</b>	<b>1,203,948</b>	<b>517,438</b>	<b>1,507,066</b>	<b>820,833</b>
<b>Fund balances</b>					
- beginning of year	(59,793)	6,527,357	711,535	7,179,099	6,358,266
<b>Fund transfers (note 11)</b>	<b>94,523</b>	<b>197,560</b>	<b>(292,083)</b>	<b>-</b>	<b>-</b>
<b>Fund Balances- end of year</b>	<b>(179,590)</b>	<b>7,928,865</b>	<b>936,890</b>	<b>8,686,165</b>	<b>7,179,099</b>

The accompanying notes are an integral part of these financial statements

# THE PETERBOROUGH HUMANE SOCIETY

## STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>Operating activities</b>		
Excess of revenue over expense for the year	1,507,066	820,833
Items not affecting cash		
Amortization of tangible capital assets	328,801	46,181
Gain on disposal of tangible capital assets	(984,350)	-
Realized loss on disposal of investments	155	263
Deferred OSPCA rental revenue	(96,931)	-
	<u>754,741</u>	<u>867,277</u>
Changes in non-cash working capital items		
(Increase)/decrease in accounts receivable	48,724	(268,300)
(Increase)/decrease in HST receivable	250,760	(34,202)
Increase in inventory	(24,472)	-
(Increase)/decrease in prepaid expenses	(49,371)	15,454
Increase/(decrease) in accounts payable	(817,025)	575,600
Increase in deferred program revenue	13,992	13,750
	<u>(577,392)</u>	<u>302,302</u>
<b>Net increase in cash from operating activities</b>	<u>177,349</u>	<u>1,169,579</u>
<b>Investing activities</b>		
Purchase of investments	(2,213)	(25,643)
Proceeds on sale of investments	2,407	40,815
Purchase of tangible capital assets	(1,458,117)	(7,107,820)
Proceeds on sale of tangible capital assets	1,651,186	-
<b>Net increase/(decrease) in cash from investing activities</b>	<u>193,263</u>	<u>(7,092,648)</u>
<b>Financing activities</b>		
Proceeds from loans	1,119,024	4,256,422
Repayment of bridge loan	(1,312,500)	-
Repayment of CEBA Loan	(40,000)	-
<b>Net increase/(decrease) in cash from financing activities</b>	<u>(233,476)</u>	<u>4,256,422</u>
<b>Increase/(decrease) in cash</b>	<u>137,136</u>	<u>(1,666,647)</u>
<b>Cash - beginning of year</b>	<u>1,134,476</u>	<u>2,801,123</u>
<b>Cash - end of year</b>	<u>1,271,612</u>	<u>1,134,476</u>

The accompanying notes are an integral part of these financial statements

# THE PETERBOROUGH HUMANE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 1. NATURE OF OPERATIONS

The Peterborough Humane Society ("the Society") is a not-for-profit organization that was incorporated on January 24, 1941, without share capital, to facilitate and provide for the prevention of cruelty to animals and their protection and relief there from and to provide shelter for homeless, unwanted or stray pets.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

#### (a) *Recognition of revenues and expenses*

The Peterborough Humane Society uses the restricted fund method of accounting. Restricted contributions are recognized as revenue of the appropriate fund when received or receivable. Unrestricted contributions, including memberships and donations, are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned. Investment income consists of interest income and realized capital gains.

Revenue from municipal fees, spay and neuter and shelter services is recognized when the services are provided or the goods are sold.

Grant revenues are recognized as revenue in the period in which the related expenses are incurred.

Expenses are reported on the accrual basis of accounting, recognizing expenses in the period the goods and services are acquired and a legal liability is incurred.

#### (b) *Fund accounting*

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Society, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. These funds are maintained as follows:

- (i) Unrestricted fund - includes results of day-to-day operating transactions and all unrestricted contributions;
- (ii) Capital fund - includes the Society's assets, liabilities, revenues, and expenses related to tangible capital assets;
- (iii) Animal care centre campaign fund - includes the Society's assets, liabilities, revenues, and expenses related to the capital campaign for the animal care centre.

#### (c) *Inventory*

Inventory is recorded at the lesser of cost and net realizable value, on a first in, first out basis.



# THE PETERBOROUGH HUMANE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Tangible capital assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Building	40 years
Computer equipment and software	3 years
Equipment	10 years
Vehicles	5 years
Land improvements	40 years

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(e) *Income taxes*

As a registered charitable organization under the Federal and Provincial Income Tax Acts, the organization is exempt from income taxes and is prohibited from distributing any of its earnings to or for the personal benefit of the members.

(f) *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 year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, pledges receivable, useful lives of tangible capital assets and amortization, accounts payable and accrued liabilities and revenue recognition. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(g) *Deferred revenue*

Deferred revenue represents externally restricted operating funding received for specific purposes and revenue that has been received for services to be provided in the future.

(h) *Donated services*

Volunteers contribute a significant amount of time each year to assist the Society in carrying out its programs and services. However, these donated services are not recorded because their fair market value is not readily determinable.

# THE PETERBOROUGH HUMANE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (i) *Financial Instruments*

##### (i) Measurement

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

The Society subsequently measures its financial assets, other than mutual fund investments, and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

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

Financial liabilities measured at amortized cost include accounts payable and loans payable.

Financial assets measured at fair value include investments in mutual funds.

##### (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 recognized in the statement of operations.

### 3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2023	2022
	\$	\$
Accounts receivable	91,904	43,394
Federal Economic Development Agency - Canada Community Revitalization Grant	43,810	281,272
Ontario Ministry of Infrastructure - Strategic Priorities Infrastructure Fund grant	140,228	-
	<u>275,942</u>	<u>324,666</u>

### 4. INTERFUND RECEIVABLE (PAYABLE)

The interfund receivable (payable) balances consist of amounts owing between funds. These interfund advances are non-interest bearing with no fixed terms of repayment.

# THE PETERBOROUGH HUMANE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value	
	\$	\$	2023	2022
			\$	\$
Land	429,286	-	429,286	519,090
Buildings	11,565,165	240,941	11,324,224	11,892,121
Computer hardware and software	83,064	65,167	17,897	21,742
Equipment	526,944	117,810	409,134	361,805
Vehicles	66,246	46,226	20,020	33,269
Land improvements	1,103,743	13,797	1,089,946	-
	13,774,448	483,941	13,290,507	12,828,027

During the year, the Society sold the land and building of the existing property with the move to the new Animal Care Centre.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2023	2022
	\$	\$
Accounts payable and accrued liabilities	184,187	147,020
Government remittances	29,399	25,887
Construction holdbacks payable	27,074	884,778
	240,660	1,057,685

### 7. DEFERRED REVENUE

Deferred revenue represents revenues collected but not earned as at December 31, 2023 and consists of dog license revenue, cat tag revenue, and spay and neuter revenue.

# THE PETERBOROUGH HUMANE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 8. LOANS PAYABLE

	2023	2022
	\$	\$
Loan payable, Canada Emergency Business Account, non-interest bearing, repayable by January 18, 2024 to qualify for debt forgiveness (balance of \$60,000, reported net of expected forgiveness of \$20,000 previously recognized as revenue). Repayment occurred on December 20, 2023.	-	40,000
Construction loan - (approved to a maximum of \$4,500,000), repayable 18 months after the date of disbursement, with the option for two 3 month extensions at the discretion of the lender, repayable in monthly interest-only payments at the lender's prime lending rate. The lender has approved take-out financing of \$4,500,000 to be used to repay the construction loan at maturity, with interest and repayment terms to be determined at the time of disbursement. An extension to the loan was granted to June 2024.	4,062,946	2,943,922
Bridge loan - repayable in monthly interest-only payments at the lender's prime lending rate, due May 2024. Repayment occurred on June 29, 2023.	-	1,312,500
	4,062,946	4,296,422
Less principal payments due within one year	-	(40,000)
Due beyond one year	4,062,946	4,256,422

#### Security

The organization has pledged the following as security for their various loans outstanding as at December 31, 2023:

- A general security agreement over all assets of the organization
- A mortgage on land and buildings for the new Animal Care Centre at 1999 Technology Drive, for \$6 Million.
- An assignment of leases and rents, and an assignment of insurance proceeds

# THE PETERBOROUGH HUMANE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 9. DEFERRED RENTAL REVENUE

The Society has entered into an agreement with the OSPCA to lease a portion of the new premises at 1999 Technology Drive, commencing on the first day of occupancy. The OSPCA has agreed to advance \$2 Million in funds in installments, as construction progresses. The OSPCA has paid the Society \$2,000,000 to date relating to this agreement. The advance payments will be earned on an annual basis over a term of 20 years commencing on the date of first occupancy, at an agreed-upon rate based on OSPCA's relative use of the building. The lease agreement may be terminated for any reason, by either party with 120 days written notice. In the event of termination by the OSPCA, any right to the unearned advance payments is forfeited. In the event of termination by the Society, the unearned portion of the advance payments must be repaid to the OSPCA in full. The first date of occupancy was February 2023, and rental revenue for occupancy from this point has been recorded in these statements.

The continuity of deferred rental revenue is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	2,000,000	2,000,000
Less recognition of revenue: Revenue recognized	96,931	-
Balance - end of year	1,903,069	2,000,000

### 10. GRANT REVENUE

Grant revenue consists of the following:

	2023	2022
	\$	\$
Federal Economic Development Agency - Canada Community Revitalization Grant	47,298	390,795
Ontario Ministry of Infrastructure - Strategic Priorities Infrastructure Grant	838,425	-
Other operating grants	5,741	2,606
	891,464	393,401

The Government of Ontario created the Strategic Priorities Infrastructure Fund to support, in part, large-scale new builds and expansions of community, culture and recreation infrastructure. The Society was approved to receive maximum funds of \$1,560,503 and has until March 31, 2027 to ensure that the approved project is substantially completed.

As at December 31, 2023, the Society has incurred eligible expenditures of \$838,425 related to the grant.

Grant funds are subject to final approval by the funding agency. In the event the funder determines that the grants were not spent in accordance with the terms of the related funding agreements, the funding agency is entitled to recover the funds from the Society.

# THE PETERBOROUGH HUMANE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2023

### 11. INTERFUND TRANSFERS

During the year, the Society made the following interfund transfers between funds related to the new building construction:

	Unrestricted 2023 \$	Capital 2023 \$	Animal Care Centre Campaign 2023 \$	Total 2023 \$
Transfer capital campaign funding to capital fund	-	292,083	(292,083)	-
Transfer investment proceeds to capital fund	(2,408)	2,408	-	-
Transfer OSPCA rental revenue	96,931	(96,931)	-	-
Balance, end of year	94,523	197,560	(292,083)	-

### 12. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Society's approved credit facilities are exposed to interest rate risk as they bear interest at variable rates.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Society has limited exposure to credit risk as the majority of receivables are due from municipal and federal levels of government.

(c) Market risk

Market risk is the risk of exposure to certain conditions including changes in pricing and limited access to foreign markets. The mutual fund investments are exposed to market risk since the market value of the investments will change with fluctuations in pricing.

# THE PETERBOROUGH HUMANE SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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### 13. CONTINGENT LIABILITY

The Society has received capital funding from the City of Peterborough (the "City"), towards the construction of the new Animal Care Centre at 1999 Technology Drive, under the terms of a funding agreement. The terms of the agreement stipulate certain criteria that must be met, in connection with the funding. In the event of default by the Society, the City has the right to declare all funds previously advanced as repayable. As at December 31, 2023, the Society has received cash, and in-kind contributions totaling \$1,686,000 under this agreement.