

# PEI Humane Society



# Annual Report 2015-16

## *President's Report*

On behalf of the Board of Directors of the PEI Humane Society I am pleased to share our work this past year. The Board of Directors has made a commitment to strengthening the overall governance of the organization. This year saw the successful completion of the policy governance template and a review of the strategic direction of the organization. The PEI Humane Society continues to work toward a stable footing both financially and operationally.

Our key goals this year have been to review our existing facilities, the needs of our organization going forward and most importantly how to provide the best possible care to animals in need of protection. Our primary concerns are for the health and safety of the animals and of the people caring for them. This is not possible without continually building partnerships in the communities we serve.

The Board is pleased to support a strong team running the shelter and to providing animal protection services to communities across the island.

*Graham Robinson*  
*President*



## *Executive Director's Report*

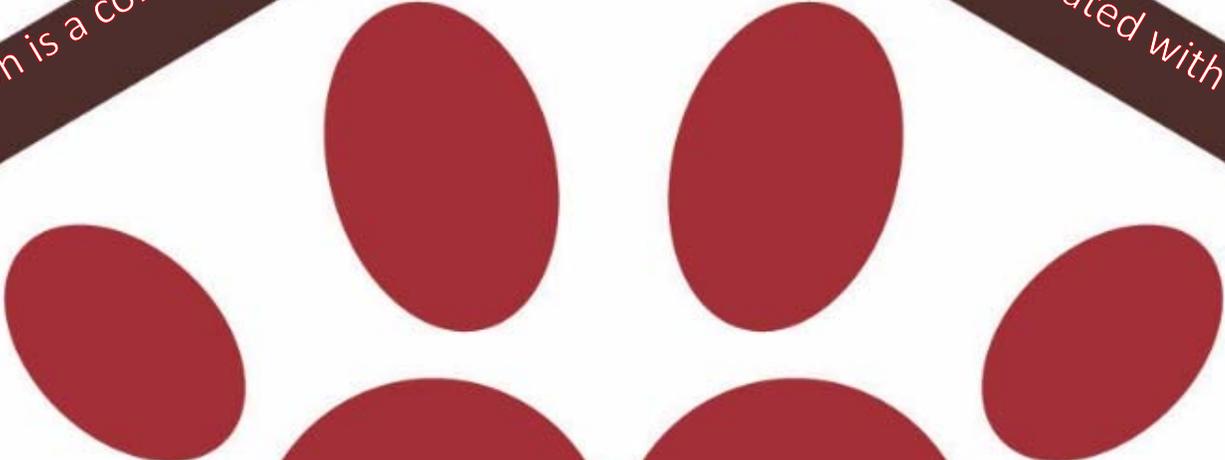
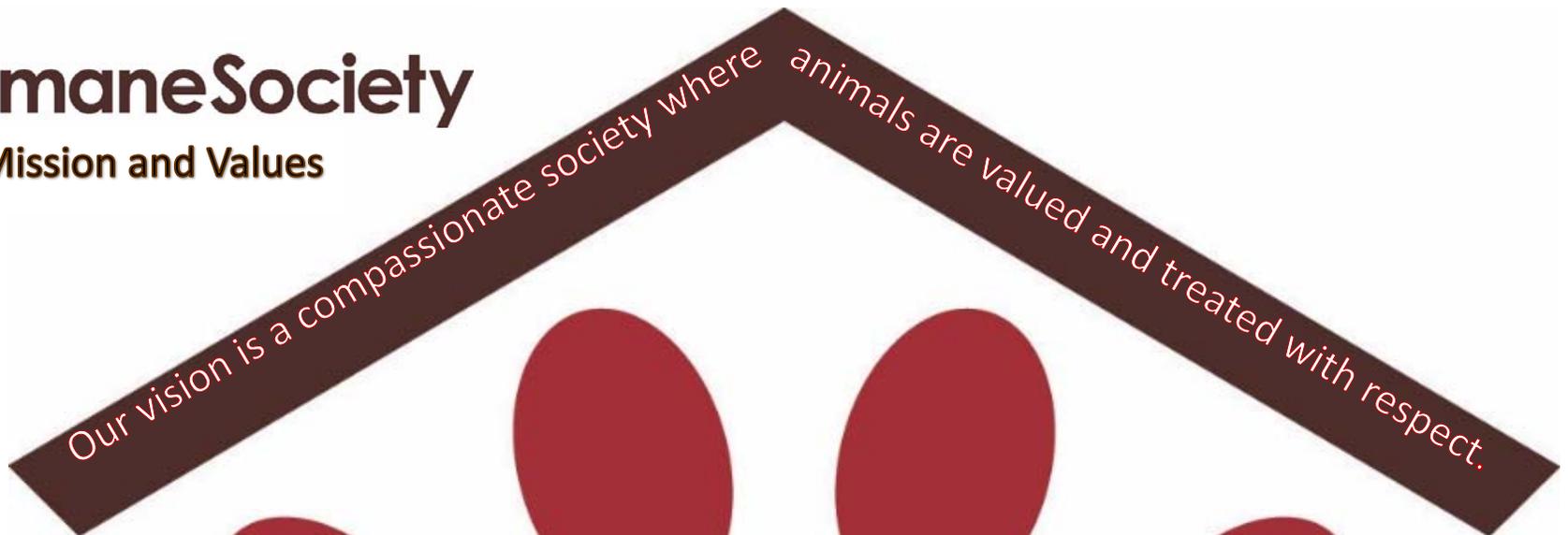
The past year has been a busy year full of changes. We have welcomed new staff, seen the Animal Welfare Act passed in the legislature, and we continue to advance our partnerships with other animal care organizations in the province. We have adapted and improved the services we offer to meet the needs of the animals in our care and their people. With the explosion of social media and the increase of animals from off island, we have seen a real shift both in the behaviour and health of animals and of how they come to our care. We continue to see high numbers of aggressive dog concerns and bites, which increases the challenges for in house care and for assessment and successful rehoming.

Our team sees the heart of every animal and we continue to strive to rehabilitate them and find the possible adoptive home to suit their needs and challenges. Everyone, including the Animal Protection Officer who knows their background, the Shelter Vet who assesses and cares for them and staff and volunteers working with them every day to our Adoption and Intake Coordinator must collaborate to provide the best information for the best possible outcome. I am excited to work with this dedicated team of professionals as we strive to improve the care for animals that are homeless and in need of protection, across the island .

*Marla Somersall*  
*Executive Director*



## Vision, Mission and Values



### Our Values

- Humanely housing and caring for companion animals;
- Protecting companion animals from abuse and neglect;
- Educating the community about responsible pet ownership;
- Providing individuals with the tools they need to be responsible pet owners; and
- Protecting and promoting public health and safety

### Our Mission

Our mission is to promote quality of life for companion animals through responsible ownership, successful adoptions, education and enforcement of companion animal welfare legislation in Prince Edward Island.

# Strategic Goals — 2014 to 2017

## Key Results Area

### Organizational Health

Revenue growth  
Sound operational management  
Board Stability  
Brand integrity (reputation management)

### Public Engagement

Educated public on companion animal welfare  
PEIHS is viewed by the public as an authority/  
resource on companion animal welfare

### Animal Welfare

Optimum care for companion animals requiring  
temporary shelter



### The Five Freedoms of Animal Welfare

#### Freedom from:

- **Hunger and Thirst;**
  - **Discomfort;**
- **Pain, Injury or Disease;**
- **Fear and Distress; and**
- **Freedom to Express Normal Behaviour.**

# PEIHS Programs

## Capacity for Care

We continue to see the results of the Capacity for Care program designed to manage cat intake and population at the shelter focusing on stress reduction to reduce disease, provide smarter care and get cats homed sooner and more successfully.

The number of cats cared for remains constant, but we no longer have excess numbers in shelter at once, and cats are healthier as a result. Reducing stress, managing intake, having fewer cats in shelter and finding adoptive homes more quickly are proving successful. Volunteers are so generous, spending play and exercise time with the cats every day.

The PEI Humane Society was a pilot site in Canada and the program is a success. The cats are the winners. Even more encouraging is the continued expansion to other shelters across the country. Again we thank the team from UC Davis Koret Shelter Medicine Program for giving so generously of their time and knowledge to make this program happen.

## Positive Dog Training Program with AVC

The PEI Humane Society is fortunate to have a wonderful working relationship with the Atlantic Veterinary College. Part of that partnership involves a program that offers 3rd and 4th year vet students who work with experts from the College and our staff team to introduce positive training with the dogs in our care. The Clicker Trainers do an in-depth behavioural assessment with each dog, which allows us to identify any areas of risk, concern or further training work that is required. Many dogs that end up at the PEI Humane Society are here because they have behaviours that were not tolerated, and often have been rehomed several times before reaching our door. The impact of multiple approaches to unwanted behaviour can prove very difficult to reverse. The assessment allows us to ensure that they are safe to be in the community, that we can correct or work with unwanted behaviours and that we can successfully rehome these dogs so that they find a consistent and caring home.

**Working Cat Program** - cats who are not suited to being house cats will do better in a barn or other environment. Cats are vaccinated, spayed or neutered and adopted to situations that better meet their needs.

**Fancy Felines and Dandy Dogs** - thanks to donor support, we can reduce the adoption fees used to cover part of the care of cats who have not found a home. Older cats and those who have just not been selected for adoption are adopted for a reduced fee. Donations help cover the cost of some of their care.



# Protecting Companion Animals

Animal protection officers provide coverage 24/7 responding to calls regarding companion animals in distress, stray or lost dogs, and situations where dogs may be a risk to other animals or people.

The PEI Humane Society provides contracted services for some companion animal control services.

- Charlottetown
- Stratford
- Cornwall
- Summerside Police Services
- PEI Department of Agriculture and Fisheries
- Department of Health and Wellness
- Parks Canada

Information on animal control, local bylaws and licensing requirements is available from the Humane Society, and from local municipal offices.

Working with the community to ensure the safety of animals and people is most important. With increased numbers of dog bite and dangerous dog cases coming in, the importance of clearly established animal control requirements in communities is an important first step. We continually see the benefits of positive reward and force free based training methods, and encourage people to seek out this humane training early in the relationship with a new dog.

Animal Protection Officers work first to educate the public and companion animal owners on the risks to their pets, the risk to the community and the legal requirements when there are problems. Ideally, this resolves issues before they become something more serious.

Our aim is to keep animals safe in the community and the community safe with their animals.

## Animal Protection

2015-16

Cases opened 694

Cases Closed 617

Cruelty Investigations 345

By Law Investigations 307

Dogs at Large 78

Dog Bites 55

Dangerous Dog: 71

Dogs Seized: 13

Cats Seized: 17



# The Journey of Cats in our Care



**855 cats came through our doors this year**



**When cats are micro-chipped or registered, we may get them safely home without ever entering the Shelter. Very few cats have identification**



**53 cats returned home**



**662 cats were adopted**



# The Journey of our Dogs



**345 dogs came through our doors this year**



**More dogs than cats are microchipped.**  
**Microchipping and licensing means dogs can get home without ever entering the shelter**



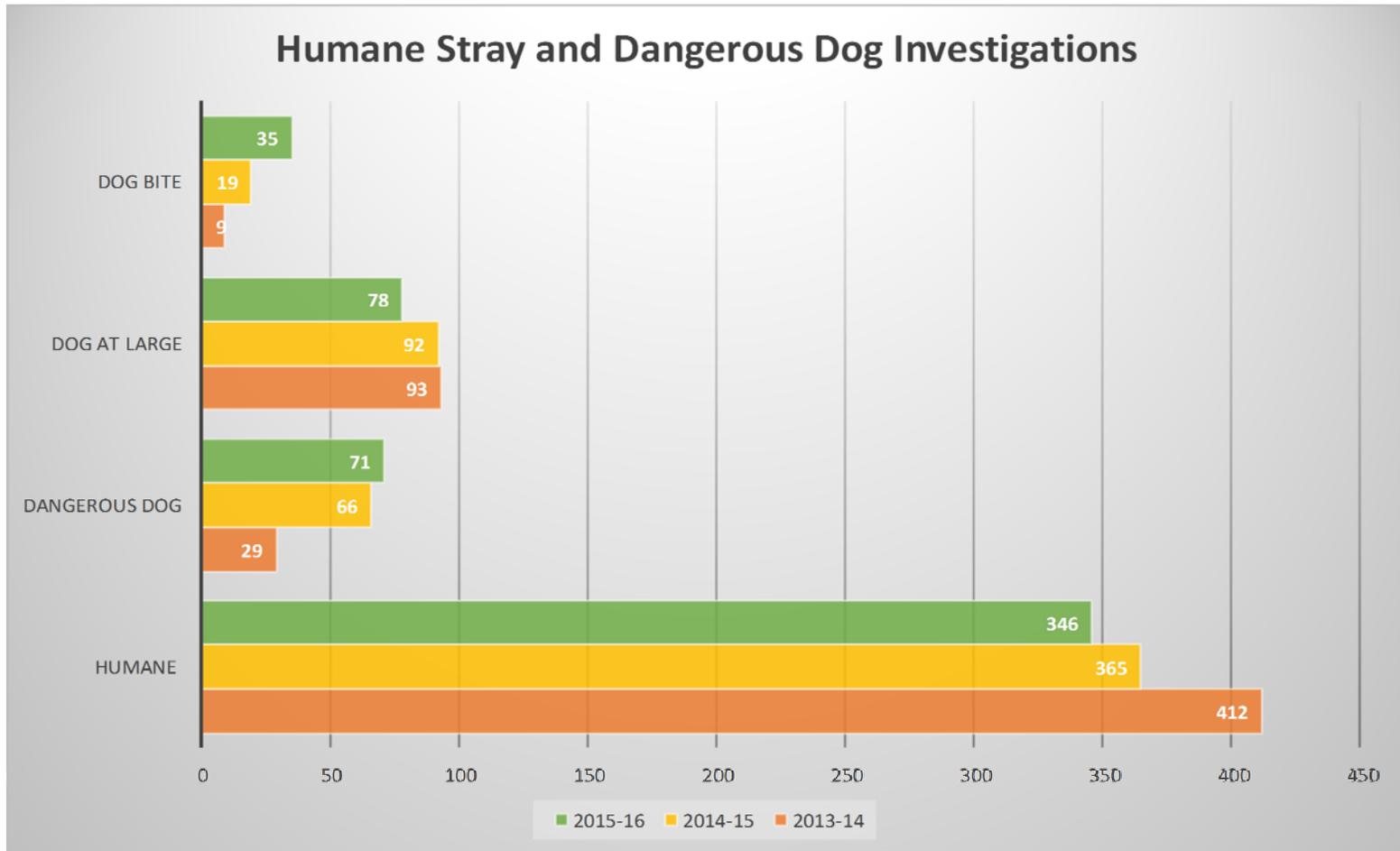
**143 dogs returned home**



**159 dogs were adopted**



# Animal Protection in the community



**40,000 kms logged for Investigations**

**345 Cruelty Investigations Completed**

**307 By-Law Investigations Completed**

**30 Dogs and Cats seized for Humane Reason**

# Acting Shelter Manager's Report

The animal intake statistics in 2015-2016 have shown an encouraging trend, decreasing by approximately 100 animals admitted per year over the past few years. The number of dogs and cats Returned to Owner (RTO) has been very encouraging as well with 83% of dogs and 9% of cats RTO this past year, likely due to the increase in education and awareness regarding the use of collars, tags and microchips.

Even though intake has decreased again this year, the total number of dogs and cats adopted has increased as compared to the previous year. Although we have seen an increase in dogs with behavioral issues surrendered to the shelter in the past year, many of these dogs have been helped due to the knowledge, skills and dedication of our staff, AVC Clicker Trainers and volunteers. Our cat adoptions also increased compared to our last fiscal year even though our total cat intakes were lower. This can be attributed to the continued use of the Capacity 4 Care program and our managed stray intake protocols.

The PEI Humane Society is contracted by several municipalities in the province to enforce their Animal Control Bylaws. Our Animal Protection Officers are sworn in to enforce the provincial **Dog Act** and the **Companion Animal Protection Act (CAPA)** which involves cases of companion animal abuse, neglect, abandonment, inadequate shelter and medical concerns. In 2015-2016 our Animal Protection Officers opened (new) and investigated 694 cases and closed 617 cases. Although the number of new cases decreased slightly from the previous fiscal year, the level of complexity and the APO resources required in many of these complicated CAPA and Dog Act cases continues to increase. Of the 694 new APO cases last year 346 were Humane Complaints, 124 were Dog Act and 183 fell under Bylaws. Due to the complexities of some cases, we often work in cooperation with other provincial agencies, such as the Dept. of Agriculture and Fisheries, Adult Protective Services, Child and Family Services, the RCMP and Police Services and the Chief Public Health Office.

We are thankful for the good working relationships within the province, which are so necessary to addressing complaints effectively, and helping us to reduce the risk of dangerous or more inhumane situations down the road. Our emphasis remains on educating owners and working with the community to ensure good companion animal care.

## Staff Team 2016

### **Executive Director**

Marla Somersall

### **Development Coordinator**

Jennifer Harkness

### **Office Administrator**

Lesla Donnelly

### **Adoption Intake Coordinator**

Reese Perreault

### **Shelter Attendants**

Tammy Bevan

Jossie Ehler

Breanna McCloskey

Hanna Molyneaux

### **Relief Shelter Attendants**

Chayleigh Arsenault

Melissa Kim Stone

Jane Northrup

Jillian Rose

Deb Quaid

Christine Leavitt

### **Interim Shelter Manager**

Cathy Kenny

### **Shelter Veterinarian**

Dr. Rhonda MacDonald

### **Animal Protection Officers**

Doug Burkholder

Donna Marie

Lorinda McCarthy

### **Relief Animal Protection Officers**

John MacDonald

Kim MacMillan

### **Clicker Trainer Coordinator**

Genevieve Machum

### **Clicker Trainers**

Jourdan McPhetridge

Stephanie Maloney

Emily Seidl

## PEIHS Board of Directors

### **Officers**

#### **Past President**

Wendy MacIntyre

#### **President**

Graham Robinson

#### **Vice President**

Tom Keeler

#### **Treasurer**

Jamie Arsenault

#### **Secretary**

Margaret Gladstone

### **Members**

George Stewart

Doug Shackell

Judy Shaw

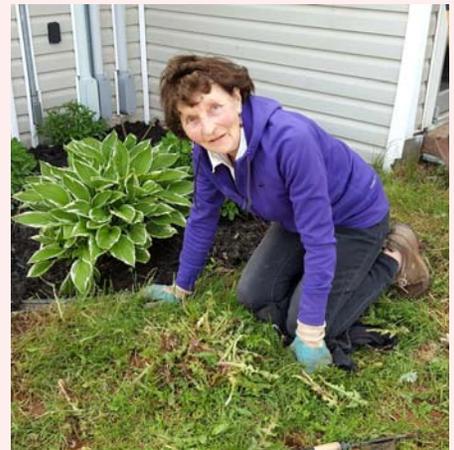
Karen Chin

Debbie Miller

Jenny Mason



# 5,147 Volunteer Hours



All the ways we rely on our dedicated volunteers:

*Our Board of Directors*

*Fundraising Committee Volunteers*

*Daily Dog Walkers*

*Cat Care Volunteers*

*Enrichment volunteers*

*Event Organizing volunteers*

*Golf Committee volunteers*

*Doing the dishes, helping with laundry*

*Making blankets and cat toys*

*Gardening and growing treats for the cats*

*Repairs and Maintenance*

*And so much more...*

Thank you for the difference that you make for the animals in our care

For info on volunteering: [www.peihumanesociety.com/volunteer/how-you-can-help](http://www.peihumanesociety.com/volunteer/how-you-can-help)

# Community Partnerships

## Companion Animal Welfare Initiative

The purpose of CAWI is to improve the welfare of companion animals in PEI by developing and implementing educational strategies to raise public awareness about good companion animal care practices.

- Sir James Dunn Animal Welfare Centre
- PEI Department of Agriculture and Fisheries
- Spay Aid
- Cat Action Team
- PEI Veterinary Medical Association
- PEI 4-H
- PEI Humane Society

## The PEI Veterinary Medical Association

We would like to thank the PEIVMA for their continued partnership in providing care to companion animals on PEI. Their support of our recent efforts to educate the community about Pan Leukopenia, their continued commitment to CAWI and the ongoing participation in the review of the Animal Welfare Act and Regulations are greatly appreciated. So too is the help from Island Veterinarians in making sure we can provide good care to all companion animals in our communities

Many people across PEI volunteer, do fundraisers, donate food, litter and supplies to the shelter and help share information on lost animals. Community support in caring for lost and abandoned companion animals is an important part of the work we do.

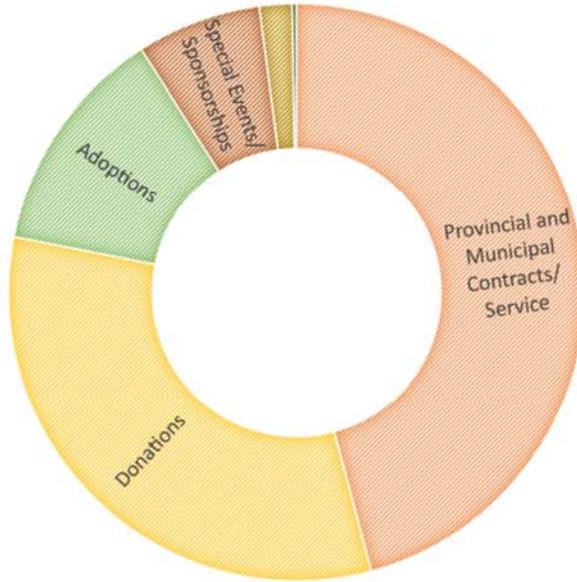
Thank you for your contributions.



Bagheera

## HOW OUR WORK IS FUNDED

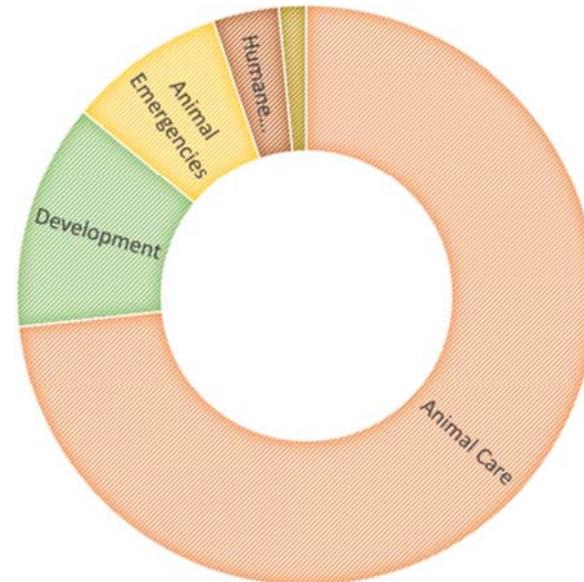
- Provincial and Municipal Contracts/Service
- Donations
- Adoptions
- Special Events/Sponsorships
- Services/Retail Sales
- Grants/Subsidies



Income		
Provincial & Municipal Contracts/Service	\$ 352,789	45.82%
Donations	\$ 248,401	32.26%
Adoptions	\$ 98,890	12.84%
Special Events/Sponsorships	\$ 53,794	6.99%
Services/Retail Sales	\$ 14,051	1.82%
Grants/Subsidies	<u>\$ 2,026</u>	<u>0.26%</u>
	<b>\$769,951</b>	<b>100.00%</b>

## WHERE DO THE FUNDS GO

- Animal Care
- Animal Emergencies
- Development
- Humane Education
- Dog Park



### Expenses

Animal Care	\$ 463,171	73.30%
Animal Emergencies	\$ 55,567	8.79%
Development	\$ 80,048	12.67%
Humane Education	\$ 23,249	3.68%
Dog Park	<u>\$ 9,807</u>	<u>1.55%</u>
	<b>\$ 631,842</b>	<b>100.00%</b>

# JUST FOR CATS

#justforcats  
#catvidfest

# GOLF TOURNAMENT



**\$47,494 raised from unique special events!**



4th Annual Golf Tournament  
National Cupcake Day  
Just for Cats Film Festival  
Santa Pix  
Microchip Clinics  
Dog Park BBQ & Fundraiser  
Plum Pudding sales  
Facebook Auctions



## **Our Sponsors and Supporters who's contributions were over \$1500**



Investor's Group

Global Pet Foods

Silver Orange Inc

Souris Regional School

Invesco Employee Charity Committee

Parkland Industries (Island Petroleum)

Pet Smart

Pet Valu

Estate of Nancy Lynn Miller

Estate of Thelma MacDonald

Estate of J. Clair Crozier

Michael Poczynek

Estate of Blanche Hogg

Estate of John Edward Dalton

Estate of Helene MacKay

Harry Smith and Jane Thomas

Craig Bradley

Atlantic Superstore

Colour Blind

Buns n' Things

Charles Dewar

Linda Keane

Diane Walmsley

Maria M Font Villarroel

Anne MacDonald

Dr. Steven O'Neil



And our thanks to all the cupcake bakers, sellers, buyers and eaters for making 2016 a record cupcake year.

# Thank You

## **PEI Humane Society: Treasurer's Report**

The financial statements presented in the annual report are presented in a manner consistent with the prior year. The financial statements for the PEI Humane Society (PEIHS) are an essential resource playing a significant role in daily decision making. As a Not-for-Profit entity, the PEIHS provides services for companion animals and the general public which is restricted by the resources generated through the year. Continuous preparation of budgets and analysis of financial reports, allow directors to have a constant awareness of the Society's financial state and determine how to invest available resources to drive our mission as a society.

### **Revenues**

In the 2015-2016 fiscal year PEIHS has seen an increase in revenues from the previous period. With a number of unfortunate events happening during the previous year, the increase is due to the increase in special events and miscellaneous. Donations and in memoriams continue to be a major driving force of the shelter. It shows the communities strong response to the work performed by the shelter. In the upcoming years it will be important for the shelter to continue to build the relationship with the community to continue to maintain and grow this revenue stream.

Acting as a public service provider, PEIHS is engaged with ongoing contracts with both provincial and municipal bodies, generating \$335,676 during the year. The shelter must continue to build on these relationships to help ensure a strong future.

During the year, the PEI Humane Society received bequests in the amount of \$69,701 (unrestricted). This amount has helped the shelter during a tough financial year come out with a deficit of \$6,520. Without these funds the financial impact of the current year would have a much more severe effect on operations on a go forward basis. These funds are typically not budgeted for as they should be treated as a surplus and not a guarantee.

### **Expenses**

In the past fiscal year, PEIHS has generated total expenditures of \$845,656, which is an increase of about 8% from the previous year, and an increase from the budget of approximately 3.6%. During the year there was a total variance of \$29,914 from the budgeted number. This increase from the budget is related to the increase in the veterinary supplies and services, maintenance and wages. This increase shows the strain the current facility puts on the finances of the society.

PEIHS is still heavily reliant on hours donated by volunteers which are essential to the daily operations of the Shelter. This volunteer assistance allows Shelter staff to focus on reducing costs. Without the countless hours donated by volunteers within the shelter the number and quality of the services offered at the shelter would be greatly affected. While these volunteer hours are not reflected in the financial statements they are invaluable to the organization.

### **Financial Position**

In the current year, the PEIHS had deficient revenues over expenses of \$6,520. As discussed above, it was a difficult financial year for the shelter for a number of factors beyond their control. In the 2015-16 fiscal year the PEIHS will need to maintain focus on the budget and stay within its parameters to ensure the ability to continue to service the community. The board will continue to ensure budgets are created on a break even basis or with small surpluses to ensure the long-time viability of the organization. The PEIHS continues to be a strong organization that is committed to meeting its goals in a cost efficient manner, while being proactive in its marketing endeavors to continue to raise awareness.

An important note was the memoriam of \$75,531 that was donated with the restriction of being used on the surgical room at the shelter. This has been set up as deferred revenue and assigned to restricted cash to ensure the restrictions are met on the use these funds.

Respectfully submitted,



Jamie Arsenault, CPA, CA

Treasurer



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 Charlottetown, PE Summerside, PE  
 CIA 8C3 CIN 5Y1  
 902-368-2643 902- 888-3897

**INDEPENDENT AUDITOR'S REPORT**

**To the Directors of Prince Edward Island Humane Society**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Prince Edward Island Humane Society, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

(continues)

**Basis for Qualified Opinion**

In common with many charitable organizations, the Prince Edward Island Humane Society derives revenue from donations and fundraising activities, 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 Prince Edward Island Humane Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenditures, cash flows from operations for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1 and March 31 for both the 2016 and 2015 years. The audit opinion on the financial statements for the year ended March 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Prince Edward Island Humane Society as at March 31, 2016 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.

*MRSB Chartered Professional Accountants*

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS

Charlottetown, PE

June 21, 2016

**PRINCE EDWARD ISLAND HUMANE SOCIETY**  
**Statement of Financial Position**  
**March 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 69,295	\$ 36,360
Restricted cash	73,531	-
Accounts receivable (Note 4)	19,573	19,237
Investments (Note 5)	95,552	94,904
Prepaid expense	<u>12,763</u>	<u>27,781</u>
	270,714	178,282
<b>Property and equipment (Note 6)</b>	<u>426,564</u>	<u>457,414</u>
	<u>\$ 697,278</u>	<u>\$ 635,696</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 18,287	\$ 15,440
Government remittances payable	17,121	10,870
Deferred revenue (Note 7)	116,504	44,305
Current portion of long term debt (Note 8)	<u>13,380</u>	<u>13,231</u>
	165,292	83,846
<b>Long term debt (Note 8)</b>	<u>18,070</u>	<u>31,414</u>
	183,362	115,260
<b>NET ASSETS</b>		
<b>Unrestricted net assets (Statement 4)</b>	<u>513,916</u>	<u>520,436</u>
	<u>\$ 697,278</u>	<u>\$ 635,696</u>

ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**PRINCE EDWARD ISLAND HUMANE SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>Unrestricted net assets - beginning of year</b>	\$ 520,436	\$ 528,067
Deficiency of revenue over expenditures (Statement 5)	<u>(6,520)</u>	<u>(7,631)</u>
<b>Unrestricted net assets - end of year</b>	<u>\$ 513,916</u>	<u>\$ 520,436</u>

PRINCE EDWARD ISLAND HUMANE SOCIETY

Statement of Operations

Year Ended March 31, 2016

	Budget	2016	2015
<b>Revenue</b>			
Donations and memoriams	\$ 255,500	\$ 253,100	\$ 243,119
Provincial contract	200,348	200,204	198,684
Municipal contracts	142,350	135,472	132,696
Shelter receipts	117,500	107,287	103,367
Special events	57,000	47,494	28,969
Licenses and ID tags	29,150	17,113	22,390
Miscellaneous and memberships	4,000	8,109	4,136
Provincial license pilot project	10,000	-	-
	<u>815,848</u>	<u>768,779</u>	<u>733,361</u>
<b>Expenditures</b>			
Advertising	9,000	12,531	5,141
Amortization of property and equipment	18,500	30,851	28,122
Electricity	7,500	7,502	7,404
Fundraising	15,000	18,921	30,950
Heat	10,000	6,471	7,940
Insurance	5,151	7,653	8,459
Interest and bank charges	4,200	3,966	3,938
Licences and impounds	200	60	53
Miscellaneous	3,000	1,779	1,005
Office	22,900	11,819	11,387
Professional fees	20,900	25,249	29,356
Property tax	6,300	7,237	7,052
Rescue contracts	-	314	533
Shelter and kennels - maintenance	19,000	32,118	29,317
Shelter supplies	8,600	343	933
Staff training and travel	7,000	1,908	2,347
Telephone	10,000	10,154	10,424
Vehicle	15,000	9,081	11,754
Veterinary supplies and services	88,000	90,211	61,311
Wages and wage levies	545,491	567,488	522,770
	<u>815,742</u>	<u>845,656</u>	<u>780,196</u>
<b>Excess (deficiency) of revenue over expenditures from operations</b>	<u>106</u>	<u>(76,877)</u>	<u>(46,835)</u>
Bequests	-	69,701	38,276
Interest	900	656	928
	<u>900</u>	<u>70,357</u>	<u>39,204</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ 1,006</u>	<u>\$ (6,520)</u>	<u>\$ (7,631)</u>

Notes 1 to 11 are an integral part of these financial statements

PRINCE EDWARD ISLAND HUMANE SOCIETY

Statement of Cash Flows

Year Ended March 31, 2016

	2016	2015
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenditures	\$ (6,520)	\$ (7,631)
Items not affecting cash:		
Amortization of property and equipment	30,851	28,122
Loss on disposal of property and equipment	-	4,365
	<u>24,331</u>	<u>24,856</u>
Changes in non-cash working capital:		
Accounts receivable	(336)	16,500
Prepaid expense	15,018	2,725
Accounts payable and accrued liabilities	2,846	(2,206)
Government remittances payable	6,251	10,870
Deferred revenue	72,199	9,612
	<u>95,978</u>	<u>37,501</u>
	<u>120,309</u>	<u>62,357</u>
<b>Cash flows from investing activities</b>		
Increase in investments and restricted cash	(74,179)	(920)
Purchase of property and equipment	-	(47,667)
	<u>(74,179)</u>	<u>(48,587)</u>
<b>Cash flows from financing activities</b>		
Repayment of long term debt	(13,195)	-
Proceeds from long term debt	-	44,644
	<u>(13,195)</u>	<u>44,644</u>
<b>Increase in cash</b>	<u>32,935</u>	<u>58,414</u>
<b>Cash - beginning of year</b>	<u>36,360</u>	<u>(22,054)</u>
<b>Cash - end of year</b>	<u>\$ 69,295</u>	<u>\$ 36,360</u>

Notes 1 to 11 are an integral part of these financial statements

PRINCE EDWARD ISLAND HUMANE SOCIETY  
Notes to Financial Statements  
Year Ended March 31, 2016

1. DESCRIPTION OF BUSINESS

Prince Edward Island Humane Society was incorporated under Part II of the Prince Edward Island Companies Act on July 22, 1974 as a not-for-profit entity and is a registered charity for federal income tax purposes. Incorporating in the manner exempts the organization from income taxes providing ongoing compliance requirements are met. The objective and purpose of the organization is to promote quality of life for companion animals through: responsible ownership, successful adoptions, education and enforcement of companion animal welfare legislation in Prince Edward Island.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

3. SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash is comprised of cash on hand and cash in bank.

Accounts receivable

Accounts receivable arise from trade receivables, payroll advances and Harmonized Sales Tax receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of excess of revenue over expenditures. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of excess of revenue over expenditures.

(continues)

PRINCE EDWARD ISLAND HUMANE SOCIETY  
Notes to Financial Statements  
Year Ended March 31, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is stated at cost less government assistance and accumulated amortization. Property and equipment is amortized over its estimated useful life on a declining balance basis at the following rates:

Buildings	4%
Paving	8%
Fencing	10%
Equipment	20%
Vehicles	30%
Computer equipment	45%

One-half of the annual rate is recorded in the year of acquisition; no amortization is recorded in the year of disposal.

Revenue recognition

The organization follows the deferral method of accounting for revenues. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. 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.

Restricted contributions for the purchase of property and equipment that will be amortized should be deferred and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in excess of revenue over expenditures.

Financial assets measured at amortized cost on a straight-line basis include cash, restricted cash, investments and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities and long term debt.

Transaction costs on the acquisition, sale, or issue of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

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**PRINCE EDWARD ISLAND HUMANE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2016**

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Contributed services

Volunteers contribute significant hours each year to assist the organization in carrying out its service delivery activities. During the year ended March 31, 2016, the Prince Edward Island Humane Society benefitted from approximately 5,147 volunteer hours. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Measurement uncertainty

When preparing financial statements according to Canadian ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenditures
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, allowance for doubtful accounts, useful lives of capital assets, and accruals.

**4. ACCOUNTS RECEIVABLE**

	2016	2015
HST receivable	\$ 9,717	\$ 12,170
Trade accounts receivable	9,656	7,067
Payroll advances	200	-
	\$ 19,573	\$ 19,237

**5. INVESTMENTS**

	2016	2015
Provincial Credit Union - Deposit receipt	\$ 49,439	\$ 49,104
Provincial Credit Union - Deposit receipt	46,113	45,800
	\$ 95,552	\$ 94,904

**PRINCE EDWARD ISLAND HUMANE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2016**

**6. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	\$ 97,249	\$ -	\$ 97,249	\$ 97,249
Buildings	483,668	219,302	264,254	275,264
Paving	22,840	12,599	10,241	11,131
Fencing	14,269	10,422	3,847	4,274
Equipment	113,125	93,390	19,735	24,668
Vehicles	57,239	26,518	30,721	43,888
Computer equipment	10,770	10,253	517	940
Computer software	13,804	13,804	-	-
Website	5,863	5,863	-	-
	\$ 818,715	\$ 392,151	\$ 426,564	\$ 457,414

**7. DEFERRED REVENUE**

	2016	2015
Restricted bequest	\$ 73,531	\$ -
Skills PEI grant	31,973	33,305
Provincial License Pilot Project grant	10,000	10,000
Golf Tournament sponsorships	1,000	1,000
	\$ 116,504	\$ 44,305

The organization has received a bequest that is restricted to be used towards improvements to the surgery room. This revenue will be recognized as the expenditures related to the improvements are incurred in future years.

The organization has received assistance towards the purchase of various property and equipment. This assistance is being amortized to income through amortization at the same methods and rates as the related assets are being amortized. The amounts amortized in 2016 was \$1,332 (2015 - \$1,388).

The organization received a government grant for \$10,000 towards the development of a Provincial License Pilot Project. The expenditures for this program are expected to be incurred in the 2017 fiscal year.

The organization received \$1,000 towards the annual golf tournament, which will occur in the 2017 fiscal year.

**PRINCE EDWARD ISLAND HUMANE SOCIETY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2016**

**8. LONG TERM DEBT**

	2016	2015
Scotiabank - 2.99%; repayable in monthly blended installments of \$451. The loan matures on August 1, 2019 and is secured by 2014 Dodge Grand Caravan with a carrying value of \$14,114.	\$ 17,408	\$ 22,178
Scotiabank - 0%; repayable in monthly principal installments of \$702. The loan matures on November 1, 2017 and is secured by 2014 Dodge Grand Caravan with a carrying value of \$14,248.	14,042	22,467
	31,450	44,645
Current portion	(13,380)	(13,231)
	\$ 18,070	\$ 31,414

Principal repayments of long term debt are expected to be repaid over the next four years as follows:

2017	\$	13,380
2018		10,722
2019		5,260
2020		2,087

**9. LINE OF CREDIT AVAILABILITY**

The organization has an approved line of credit with Provincial Credit Union of \$40,000, which is due for renewal on May 1, 2017, and was not utilized at the year end. The interest rate on the line of credit is prime plus 0.5%.

**10. FINANCIAL INSTRUMENTS**

The company's financial instruments consist of cash, restricted cash, investments, accounts receivable, accounts payable and accrued liabilities, and long term debt.

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2016.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt and accounts payable.

**11. COMPARATIVE FIGURES**

The prior year comparative figures were audited by another firm of public accountants. Some of the comparative figures have been reclassified to conform with the current year presentation.