Annual Report 2019

PEI HUMANE SOCIETY

pei Humane Society

Strategic Plan 2018 to 2020

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Vision

The PEI Humane Society will provide leadership across Prince Edward Island, in ensuring the proper treatment of companion animals

Mission

To advance animal welfare protection province wide aligned to the Animal Welfare Act, and champion best practices in prevention, sheltering, and placement of companion animals

Values

The Core Values are to provide programs and services to the community which include:

~ Humane treatment and care for all companion animals
~ Protection from and prevention of abuse and neglect for all companion animals
~ Promotion informed and responsible ownership of companion animals
~ Promoting public health and safety relating to companion animals
~ Promoting the continued health as safety of employees and visitors to the PEI Humane Society

As we now are in our second year of our Strategic Plan, the Vision, Mission and Values continue to form the foundation of our day-to-day plans. The strong pillars of our future remain steadfast in our decision making while being faced with challenges in the evolving animal welfare community.

As time elapses, I continue to feel secure that our Vision; 'The PEI Humane Society will provide leadership across PEI, in ensuring the proper treatment of companion animals', is achievable and relatable. We have forged partnerships with government, legal services, police services, veterinarians and other animal welfare groups enabling the development of best practices in a very dynamically changing environment.

We are completing our third year of a governance model, enabling appropriate segregation and accountability between the board and operations. At the time this was a big change for our organization, but today it enables people to do what they are accountable to do. This model allows us to stay focused on our strategic plan with sound operation plans to support it.

It is important for us to stay on the right path, and it is the people that ensure this occurs. We are blessed to have a dedicated group of employees and volunteers, working many hours ensuring companion animals in our care are getting the best experience we can provide. While we experience sad days at the shelter, I continue to meet many people in our community who share their wonderful stories and experiences of companion animals they have adopted from us, and the joy those animals have brought to their families.

As a Not-for-Profit organization we exist thanks to our donors. Year after year Islanders continue to help us achieve our financial needs to sustain continued growth. Our Capital campaign successes has seen us approach ~60% of facility requirements. I want to send a special thank-you to our Island Children who are donating their birthday monies to help us out, your caring touches all of us.

2019-2020 will continue to bring us challenges. Our donors, employees, volunteers and Board remain focused to achieve the results that are aligned to our Vision, Mission and Values.

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Message from the President
Debbie Miller

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2018-19 Board of Directors

Past President	Tom Keeler
President	Debbie Miller
Vice President	Carey Arsenault
Secretary	Tanya Mullally
	Penny Walsh McGuire
Treasurer	Melissa Jones
Member	Doug Shackell
Member	Jessica Davis
Member	Stacey Myers
Member	Michael Zimmerman
Member	William Gauthier

Thank you for your dedication and commitment

Report from the Executive Director

Animal welfare is changing in Canada. A decision by the Superior Court of Ontario resulted in the Ontario SPCA backing out of enforcement for the Province after decades of service. Edmonton Humane Society also stepped away from enforcement this year, stating that it was too dangerous for their officers, who were not equipped to deal with high risk individuals in their efforts to protect animals.

Historically, animal protection has largely been championed by not for profit organizations. Montreal SPCA is marking 100 years of service this year. The PEI Humane Society, incorporated in 1974, emerged from efforts to protect companion animals starting in the 1940's. Here too, the work has changed drastically.

The work of animal welfare can not happen without adequate resources and clearly defined standards. Prince Edward Island took an important step in this area, with the enactment of the PEI Animal Welfare Act in 2015. Two years later, we are seeing the impact of the legislation in the work of animal protection. The new legislation allows us to intervene before an animal is in severe distress. This gives us the opportunity to educate owners about the 5 domains of animal welfare and how to ensure their pet's basic needs are met before we have to move to enforce animal protection requirements.

Safety is a critical piece of sheltering both with people and animals. Animal welfare issues coincide with mental health, family violence, poverty and many other social issues. Collaboration with policing forces and social services is critical to the future of animal welfare practice. The relationship with our companion animals is important, even when people are in crisis. But, it is not easy to find the resources needed to help people and their pets together. This is key to the future of animal welfare. Reducing the disruption is best for both people and their animals.

The team at the PEI Humane Society continues to work to develop expertise in all of these areas. The collective knowledge regarding animal care, enrichment, protection and enforcement is incredible. 4 staff attended the national Animal Welfare Conference this year, learning a great deal, but also recognizing how well we are doing here in PEI. It is an honour to watch this team create solutions to the challenges that animals face, always striving to find success, from the dedicated Board, Supporters and Volunteers to the Staff who save lives every day. Thank you all. It can happen only because of you.

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Marla Somersall
Executive Director

STAFF TEAM

pei Humane Society

MARLA SOMERSALL	EXECUTIVE DIRECTOR
JENNIFER HARKNESS	DEVELOPMENT MANAGER
NICOLA WARE	SHELTER MANAGER
DR. RHONDA MACDONALD	VETERINARIAN
REESE PERREAULT	ADOPTION/INTAKE COORDINATOR
LESA DONNELLY	ADMINISTRATION AND ADOPTION ASSOCIATE
TAMMY BEVAN	RECEPTION/SHELTER ATTENDANT
EMMA TURNER	DEVELOPMENT ASSISTANT/SHELTER ATTENDANT
JOSSIE EHLER BREANNA MCCLOSKEY CHAYLEIGH ARSENAULT MELISSA KIM STONE JANET BARRY MADDIE DELANEY JESSICA GRANT ANIKA GREEN	SHELTER ATTENDANT
DOUG BURKHOLDER MIKE GILBERTSON CHAYLEIGH ARSENAULT DONNA MARIE - RELIEF KIM MACMILLAN - RELIEF	ANIMAL PROTECTION OFFICERS










Animals in our Care 2018-19 Outcomes

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Total Outcome	986 Cats	354 Dogs	32 Critters	37 Rabbits	4 Birds
Adopted	746	150	21	33	3
Return to Owner	49	146	0	0	0
Died	14	1	0	0	0
Humane Euthanasia	160	55	11	4	1
Transferred out	17	2	0	0	0

Animal Care

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Caring for animals in shelter is a critical part of preparing for adoption. Beyond providing food and a safe place to rest, the shelter staff work 7 days a week to ensure their health, to find just the right diet for animals that are not eating, to set up kennels so they feel safe, and to ensure toys, activity, and enrichment.

Understanding medications, assisting the veterinarian, being vigilant with sick animals, ensuring that illness does not spread through the shelter and mentoring volunteers also falls under the Shelter Attendant banner. Attention to each animal is needed daily.

Staff and volunteers spend time with the animals to understand what works best for them. If they are showing signs of stress, they may move to a quieter room, an office or into foster care to see if they improve. Curtains are put on kennels so cats can hide. Blankets cover dog kennels to reduce stress. Keeping voices down, moving dogs through the kennels so that they do not react to one another and noting key changes in behaviour are all critical parts of shelter attendant work, which goes far beyond cleaning kennels and walking dogs.

All of this information is key to ensuring that we learn as much as possible about the animals in our care so that we can find the right home for them. It is not always easy, but paying attention to their needs and stressors helps us to help them be successful. Shelter attendants, who know the animals so well work with potential adopters to understand what they are looking for in a companion and which animals are, and more importantly, are not suited to their situation.

The PEIHS shelter attendant team wear many hats every day and use their tremendous skills to get animals into the best possible home for everyone.

The Shelter team provides excellent care 7 days a week. Because of them, many animals are able to recover and become ready for adoption into happy homes.

The very best care we can provide

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As research continues regarding companion animals, shelters look at how this applies to the animals in care, and how we can provide the very best outcomes possible.

Research has shown the tremendous benefit of kittens remaining with their mother to 12 weeks of age. This allows them to literally learn how to cat, along with social behaviours that serve them well with 2 legged and other 4 legged beings as well.

The cost of 4 weeks of additional care is well worth the successful adoption of healthy well socialized kittens. PEIHS kittens remain in foster care during this time, where their exposure to disease and stressors is limited. Fosters receive training on how to help socialize kittens to people and possibly to other animals, again resulting in kittens better able to adapt to their new homes.

Our fosters provide a valuable support to our many kittens. In July of 2018 we had over 120 kittens being cared for by these dedicated families.

Foster Care in 2018-19

379 kittens & puppies spent 19,934 days in foster care
170 of them were surrendered to our care
176 were stray or transferred in

Training on safety in handling animals

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- The risk involved in dealing with highly stressed animals is a constant factor in the work or PEIHS staff. It is often assumed that dogs coming into the shelter are aggressive and dangerous. Many of these dogs are only a danger because they are fearful and anxious.
- Providing care for the animals can be dangerous work. Training in animal behaviour and safe handling for all new staff as a part of our workplace safety efforts is a key priority.
- We are grateful to the Worker's Compensation Board for funding to help us develop the project. We have been able to purchase much needed safety equipment, produce safe handling videos that include understanding animal behaviour, walking dogs safely, safe enrichment and activities with shelter animals.
- Every staff member and volunteer will be trained in safe handling, allowing us to reduce the risk for both people and other animals. As the populations in shelter shift to more high needs animals, this kind of training is critical to ensuring a safe workplace.
- Ensuring care and wellness for the staff team is equally important and we have been able to start some awareness and training in this area as well. Animal welfare is one of the most difficult industries for mental health.

Safety Matters @Work
Workers Compensation Board of PEI

Partnering for better outcomes

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PEI is unique in Canada in that there is one shelter for the entire province. Animal welfare concerns exist here on a different scale, requiring unique responses that fit our communities and available resources.

In 2019, we received funding through Petsmart Charities of Canada specifically to enhance our partnership with Keeping Cats Home and Cat Action for increasing spay and neuter surgeries for unowned cats prior to adoption.

This project will see 120 feline spay/neuter surgeries this year for our 3 organizations, helping to manage the population of cats on PEI, and improving the health of the population. Cats are often transferred between Cat Action and the PEI Humane Society, depending on their needs and who can best meet them. Keeping Cats Homed is a newer organisation and is working toward spay and neuter prior to adoption. This program helps us all.

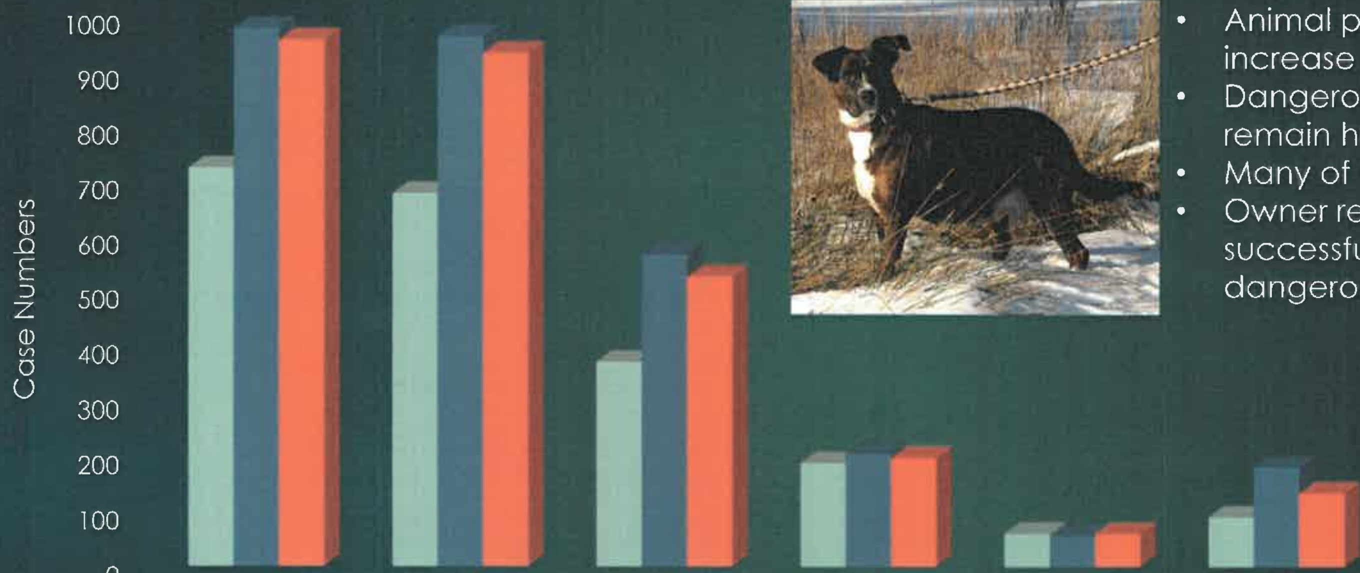
When the renovation is complete at the Shelter, we will be able to assist with surgeries for unowned cats, reducing costs for partner programs. This will help us all to manage the population of cats on PEI and to ensure a healthier population.

PetSmart Charities of Canada GRANTEE

Collaborating between organizations allows us all to do what we do well and share resources for the sake of the animals.

Animal protection – changing landscape

- Animal protection has seen a sharp increase with the Animal Welfare Act.
- Dangerous dog calls and dog bites remain high
- Many of these calls are preventable
- Owner responsibility is critical to successfully reducing the welfare and dangerous dog complaints



	Cases Opened	Cases Closed	Humane Investigations	By Law Investigations	Dog Bite	Dog Act
2016-17	724	678	371	188	61	91
2017-18	978	964	567	205	56	181
2018-19	957	933	526	197	60	134

Animal Protection Island Wide

THE FACTS

- 2 full time and 1 part time officer
- 24/7 service for emergencies only
- Officer on duty 7 days per week
- 50,000 km per year island wide on welfare issues
- 957 cases reported in 2018-19
- Officers respond to all reports of animal welfare concerns
- Designated enforcement under the Dog Act
- Primary enforcement for companion animals under the Animal Welfare Act
- Bylaw enforcement in Charlottetown, Stratford and Cornwall only
- No bylaw authority for other municipalities
- 60 dog bites on people attended to annually

Animal protection officers address the bulk of companion animal related complaints island wide. The PEIHS Animal Protection Team provides a unique service requiring a specific skill set that requires enforcement knowledge, animal welfare experience and skill in handling high risk animals and distressed complainants and owners as well.

We are fortunate to have such a dedicated team protecting animals across PEI.

Ensuring best practice

Humane Canada and its members(including PEIHS) have embarked on a national effort to develop standards of practice for animal shelters across Canada. Standards will address everything from Governance and fundraising to safety and animal care. They are based on the 5 freedoms of animal welfare and including 21 sections with 141 requirements that must be reviewed.

The accreditation process will critically review the policies and practices of shelters against the standards that have been developed. Some criteria are required, meaning a shelter can not be accredited without them. Others will be judged against the standard and reviewers will assess based on the criteria.

Shelters may be accredited, or may have a deadline to address certain issues in order to be accredited and of course may not meet the requirements for accreditation. Accreditation is granted for 3 years.

This program is important for the future of animal welfare. People looking for reputable organizations will be able to see if they are accredited. Animal welfare is a unique sector and requires a unique ability to assess each of the identified criteria. Reviewers are being trained from skilled professionals in the industry to fully capture the unique and varied circumstances of Humane Societies and SPCAs.

The result will be a highly professional industry with good transparency and clear accountability.

Volunteers care so much

- Volunteers do so much more than you think. People are often surprised at the work shelter volunteers do, and the complexity of the work involved.
- Many PEIHS volunteers have tremendous skills with animal behaviour, body language and care needs. Some of our volunteers have been here for years, providing care and much needed attention to the animals in shelter. Their attention can literally save lives.
- One of our goals with the volunteer program is to provide good training in dealing with shelter animals. This is a unique environment, where normally friendly animals may be highly sensitive to the sights, sounds and smells that we don't notice. Volunteers can take more time to interact, find ways to comfort and reduce the stress. The staff team working alongside train new volunteers in what to look for and ways to respond
- We have recently developed presentations with the help of WCB funding on safe handling, body language and working safely to enrich animals in the shelter environment. This training can be used with all new staff and volunteers, in house and in the field.
- We greatly appreciate the care and effort of our volunteers, and we are committed to ensuring a safe experience for everyone in shelter. We can not thank WCB enough for making this funding available.

Paws of Excellence Long Service Award

Presented to the volunteers who have made exceptional long term contributions to our Volunteer Program

Darlene & Travis Bakker
Janet Barry
Lise Brown
Colin Broadbent
Brett Currie
Joan Ford
Elaine Gascon
Lindsay Perry
Michael Poczynek
Ernie & Colleen Tredenick
Geoff & Susan Tucker
Ken Wilde

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12 long time volunteers were recognized for their service to the PEI Humane Society.

Thank you so much to our wonderful volunteers. We would be lost without you.

Expanding our Paw Print $2.9 Million campaign launched!

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$1,685,719.71 raised to date!

EXPANDING OUR PAWPRINT CAPITAL CAMPAIGN

Building Health & Wellness for Companion Animals in P.E.I.

Redesigning our shelter will address critical issues like air quality, temperature and disease control — while helping us to provide the best possible environment for care.

Simply put, a redesigned building will save lives. Here are just a few examples:

- Managing cat numbers and space will reduce illness and increase adoptions. Cats stressed by overcrowding become prone to upper respiratory infections, which can be fatal. These infections also spread more easily in crowded conditions. Preventing overcrowding and locating cats away from dogs will therefore decrease stress, prevent illness and improve adoption potential.
- Creating safer spaces and expanding training for high-behavioural dogs will reduce stress and further damage to their mental health. These dogs will then have more chance to thrive and become pets.
- Providing proper space for rabbits, pocket pets, and birds will reduce stress and disease — improving the health and adoption potential of these animals. They now all share a 10-by-12-foot room.

Please visit www.peihumanesociety.com/pawprint

EXPANDING OUR
PAWPRINT
CAPITAL CAMPAIGN

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Thank you to the following donors in 2018-2019 for your contributions to the future of Island animal care

Protectors - $75,000+
Pegasus Foundation, Dr. Eric Butler

Champions - $25,000-$74,999
Craig Bradley

Leaders - $10,000-$24,999
Ken Wilde
David Gauthier
Dr. Charles Dewar
I. B. Storey Inc.

Builders - $5000-$9,999
Cox & Palmer
Peake & McInnis
Cooke Insurance
Penny Walsh-McGuire

Friends - $1000-$4,999
Keir Bevan
Brigid & Hannah Grant
Patricia & Henry Srebrnik
Donald Ridley
Diane Walmsley
SableArc Studios
Results Markerting & Advertising

Monthly giving

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William Acorn
Jennifer & Wilson Acton
Martin Arsenault
Vanessa Arsenault
Helen Baker
Linda Barnes
Bernice Beaton
Wendy Bonnell
Craig Bradley
Ann Braithwaite
Steven Butt
Susan Carew
Lynn Carr
Debbie Carson
Jean Carter
Karen Chin
Sharon Clark
Karen Cook
Peter Cope
Meghan Coyle
Kelly Cozens
Lisa Curley
Joanne Daley
Cheryl Davidson
Diana Davy
William & Germaine Doyle
Anna Evans
Donna Fesser
Kathleen Gallant

Kathleen Gallant
Vera Gaudet
Cathy Grant
Lee Anne & Scott Greer
Kendra Gunn
Aleksandra Gutkowska
Susan Heaney
Louise Hearn
Susan Hopkirk
Sharon Johnson
Heather Kays
Wendy Leavitt
John MacFadden
Wendy & Ian MacIntyre
Darlene MacMillan
Corey MacPherson
Elizabeth McNeill
Cynthia Miko
Donna Porter
Joyce & Ed Prout
Jennifer Reeves
Edna Reid
Nancy Riley
Susan Roberts
David Rogers
Lisa Schurman-Smith
Claire Shaw
Vicki Smith

Tara & Chris Snively
Chris Snow
Patricia & Henry Srebrnik
Paulette St. Cyr
Mary & Ed Steele
Malcolm Stewart
Scott & Pam Vessey
Penny Walsh-McGuire
Debra Wellner
Ken Wilde

Thank you to those 2018-2019 monthly donors who provided for the animals all year long

Fundraising with our caring community

Happy Tails Campaign **$83,207.25**

PEI Humane Society & Cupcake Day **$35,017.55**

Community Events **$44,317.44**

7th Annual IG Wealth Management Golf Tournament **$22,000**

In Memory & Gifts in will $**106,097.69**

Kitten Shower - **$2075**

Thank you to the following donors and businesses who's contributions were over $1000+

Allan MacRae
Bernmar Construction
Brian & Sheryll Pound
Brighton Construction
Carol Ann & Dale Desjardins
Cavendish Farms
Charlottetown Harley Club
East Coast Art Party
Estate of Clinton E MacLean
Estate of Margaret Ruth Hillman Peake
Estate of Norma June Pate
Estate of Phyllis MacLean C/O Heather Goodwin
Estate of Ruth Shankle
Estate of Shirley Alport C/O Rita Carvana
Etsy Team PEI C/O Suzanne Scott

Facebook Fundraisers
Global Pet Food Stores PEI
Grafton House Inc
Halliwell Consulting
Harry Smith & Jane Thomas
Investors Group Inc. (IG Wealth Management)
Island Construction Limited
J.M.K. Fishmart
McInnes Cooper
Michael Poczynek
Nancy Richards
Neil & Pat Robinson
Northern Watters Knitwear
Parkdale Sherwood Lions Club Inc.
Paul Jenkins

Peake & McInnis
PetSmart Charities of Canada
PetValu - Stratford
Randy Ford
Royal Bank of Canada
Service Electric Cablevision Inc.
Silverorange Inc.
Sports Centre Physiotherapy
Standard Aero
Steven O'Neil
Scales Group of Companies
Tamara Zagustin
The Benevity Community Impact Fund
United Way of PEI

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PRINCE EDWARD ISLAND HUMANE SOCIETY

(Incorporated under the laws of Prince Edward Island)

CHARLOTTETOWN, PRINCE EDWARD ISLAND

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

MELLA & SHEA
CHARTERED PROFESSIONAL ACCOUNTANTS

PRINCE EDWARD ISLAND HUMANE SOCIETY

YEAR ENDED MARCH 31, 2019

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MELLA & SHEA
CHARTERED PROFESSIONAL ACCOUNTANTS

MELLA & SHEA
CHARTERED PROFESSIONAL ACCOUNTANTS

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Prince Edward Island C1A 4A5
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5236 AA MacDonald Highway
Unit B, Montague, PE C0A 1R0
Office **902.361.2242** Fax 902.361.1347

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Prince Edward Island Humane Society:

Qualified Opinion

We have audited the accompanying financial statements of Prince Edward Island Humane Society which is comprised of the statement of financial position as at March 31, 2019 and the statements of operations, changes in net assets, and cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the following paragraph, these financial statements present fairly, in all material respects, the financial position of Prince Edward Island Humane Society as at March 31, 2019, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

Basis for Qualified Opinion

As is common with many charitable organizations, Prince Edward Island Humane Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess revenues over expenses, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described below in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of the report. We are independent of Prince Edward Island Humane 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 12 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2018 has been restated. The financial statements for the year ended March 31, 2018 (prior to the adjustments that were applied to restate certain comparative information explained in note 12) were audited by another firm of Chartered Professional Accountants who expressed a qualified opinion on those financial statements on July 31, 2018 for the reasons described in the Basis for Qualified Opinion section. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for other information. The other information comprises the information, other than the financial statements and our auditors' report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

(Continued)

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of the 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 Prince Edward Island Humane 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 Prince Edward Island Humane Society or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Prince Edward Island Humane 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 Prince Edward Island Humane 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 auditors 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 auditors' report. However, future events or conditions may cause Prince Edward Island Humane 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 representation.

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.

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

Mella J Shea

CHARTERED PROFESSIONAL ACCOUNTANTS
JUNE 25, 2019
Charlottetown, Prince Edward Island

PRINCE EDWARD ISLAND HUMANE SOCIETY

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2019

ASSETS

	2019	2018
CURRENT		
Cash	$ 124,190	$ 122,997
Restricted cash	712,511	512,792
Accounts receivable (Note 4)	37,623	92,160
Prepaids expenses	13,033	10,904
	887,357	**738,853**
PROPERTY AND EQUIPMENT (Note 5)	397,054	352,578
	$ 1,284,411	**$ 1,091,431**

LIABILITIES

	2019	2018
CURRENT		
Accounts payable and accrued liabilities	$ 28,528	$ 19,525
Government remittances payable	18,859	19,608
Deferred revenue (Note 6)	27,898	11,000
Current portion of long term debt (Note 7)	898	5,258
	76,183	**55,391**
LONG TERM DEBT (Note 7)	-	2,173
DEFERRED CONTRIBUTIONS (Note 8)	684,613	501,793
	760,796	**559,357**

NET ASSETS

	2019	2018
UNRESTRICTED ASSETS	374,082	443,874
RESTRICTED ASSETS - CAPITAL CAMPAIGN	149,533	88,200
	523,615	**532,074**
	$ 1,284,411	**$ 1,091,431**

LEASE COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD

_______________ **DIRECTOR**

_______________ **DIRECTOR**

MELLA & SHEA
CHARTERED PROFESSIONAL ACCOUNTANTS

PRINCE EDWARD ISLAND HUMANE SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

MARCH 31, 2019

	Unrestricted	Restricted Capital Campaign	2019 TOTAL	2018 TOTAL
Balance, beginning of year	$ 443,874	$ 88,200	$ 532,074	$ 503,459
Excess (deficiency) of revenues over expenditures	(8,459)	-	(8,459)	28,615
Interfund transfers	(61,333)	61,333	-	-
Balance, end of year	**$ 374,082**	**$ 149,533**	**$ 523,615**	**$ 532,074**

PRINCE EDWARD ISLAND HUMANE SOCIETY

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2019

	Budget	2019	2018
REVENUES			
Donations and memoriams	$ 236,200	$ 283,147	$ 274,950
Provincial contract	196,500	208,396	210,721
Municipal contracts	139,167	143,856	142,575
Shelter receipts	122,360	117,361	117,895
Special events	59,800	77,082	67,100
Licenses and ID tags	29,150	11,883	25,671
Miscellaneous and memberships	15,710	25,989	18,472
Donations in kind	-	9,740	914
	798,887	877,454	858,298
EXPENSES			
Advertising	10,600	12,550	19,845
Amortization of property and equipment	22,000	17,843	19,938
Animal care supplies	18,000	18,030	18,768
Bad debt (recovery)	-	(2,129)	13,134
Electricity	7,200	12,918	11,323
Fundraising	38,300	30,373	28,590
Heat	10,200	7,489	5,224
Insurance	6,619	7,841	8,964
Interest and bank charges	4,000	3,196	4,879
Office	7,200	20,595	15,441
Professional fees	20,060	23,813	22,279
Property taxes	6,300	14,047	10,899
Rescue contracts	1,500	422	-
Shelter and kennels - maintenance	20,900	15,283	22,015
Staff training and travel	7,690	14,247	6,003
Telephone	9,800	10,302	10,187
Vehicle	18,000	17,262	14,195
Veterinary supplies and services	77,200	99,254	73,946
Wages and wage levies	530,585	615,884	583,622
	816,154	939,220	889,252
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(17,267)	(61,766)	(30,954)
OTHER REVENUES (EXPENSES)			
Bequests	-	61,333	59,075
Interest	900	779	494
Capital Campaign expense	-	(8,805)	-
	900	53,307	59,569
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (16,367)	$ (8,459)	$ 28,615

PRINCE EDWARD ISLAND HUMANE SOCIETY

STATEMENT OF CASH FLOW

YEAR ENDED MARCH 31, 2019

	2019	2018
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	$ (8,459)	$ 28,615
Items not requiring an outlay of cash		
Amortization of property and equipment	17,843	19,938
	9,384	48,553
Changes in non-cash working capital items		
Accounts receivable	54,537	(53,561)
Prepaid expense	(2,129)	3,172
Accounts payable and accrued liabilities	9,003	(18,971)
Government remittances payable	(749)	6,678
	70,046	**(14,129)**
FINANCING ACTIVITIES		
Repayment of long term debt	(6,533)	(10,681)
Deferred contributions	199,718	(309,469)
	193,185	**(320,150)**
INVESTING ACTIVITIES		
Purchase of property and equipment	**(62,319)**	**(1,817)**
INCREASE (DECREASE) IN CASH	**200,912**	**(336,096)**
CASH, BEGINNING OF YEAR	**635,789**	**971,885**
CASH, END OF YEAR	**$ 836,701**	**$ 635,789**

CASH CONSISTS OF:

	2019	2018
Operating cash	$ 124,190	$ 122,997
Restricted cash	712,511	512,792
	$ 836,701	**$ 635,789**

1. NATURE OF OPERATIONS

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 this manner exempts the Organization from income tax provided 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) and include the following significant accounting policies:

CASH

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

RESTRICTED CASH

Restricted cash consists of cash in bank accounts that has been designated for specific purposes.

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 uncollectable 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.

CAPITAL CAMPAIGN RESTRICTED ASSETS

Capital campaign restricted assets are funds recognized as revenue in the year that have been internally restricted for future building renovations.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost less government assistance, contributions 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%
Computer software	100%
Website	100%

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT ASSISTANCE

Government grants received for general operations are recorded when there is a reasonable assurance that the Organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants. During the year, the Organization received $3,157 (2018 - $2,706) from the Government of Canada and $7,800 (2018 - $7,800) from the Province of PEI for wage subsidies, as well as $2,977 (2018 - $nil) from the Worker's Compensation Board of PEI for training costs, included in miscellaneous revenues, and $nil (2018 - $250,000) from Atlantic Canada Opportunities Agency to assist with building upgrades included as government assistance in property and equipment.

REVENUE RECOGNITION

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the relate 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 are deferred and recorded as a reduction of the cost of the related assets and amortized at the same rate.

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, accounts receivable and investments.

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.

CONTRIBUTED SERVICES

Volunteers contribute significant hours each year to assist the Organization in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DONATED GOODS

Donated goods are recorded at their fair market value at the time of the donation. During the year, $9,740 (2018 - $914) in goods were donated and capitalized as part of equipment.

MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian ASNPO, management makes estimated 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 property and equipment and accruals.

3. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of cash, restricted cash, accounts receivable, investments, 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, 2019.

INTEREST RISK

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the 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 is exposed to interest rate risk primarily through its floating interest rate and credit facilities.

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.

4. ACCOUNTS RECEIVABLE

	2019	2018
Trade receivable	$ 20,703	$ 35,208
HST receivable	16,920	56,952
	$ 37,623	$ 92,160

5. PROPERTY AND EQUIPMENT

	Cost	Government Assistance & Contributions	Accumulated Depreciation	2019 Net Book Value	2018 Net Book Value
Land	$ 97,249	$ -	$ -	$ 97,249	$ 97,249
Building	1,388,227	882,697	241,811	263,719	214,070
Paving	22,840	-	14,866	7,974	8,668
Fencing	14,269	-	11,465	2,804	3,117
Equipment	115,652	-	103,601	12,051	14,266
Vehicles	57,239	-	46,702	10,537	15,052
Computer equipment	14,169	-	11,449	2,720	156
Computer software	13,804	-	13,804	-	-
Website	5,863	-	5,863	-	-
	$ 1,729,312	$ 882,697	$ 449,561	$ 397,054	$ 352,578

6. DEFERRED REVENUE

	2019	2018
Provincial License Pilot Project grant	$ 10,000	$ 10,000
Golf tournament sponsorships	1,000	1,000
WCB training grant	16,898	-
	$ 27,898	$ 11,000

The Organization received a government grant for $10,000 (2018 - $10,000) towards the development of a Provincial License Pilot Project. The expenditures for this program are expected to be incurred in a subsequent year.

The Organization received $1,000 (2018 - $1,000) towards the annual golf tournament which will occur in the 2020 fiscal year.

The Organization received $19,875 towards employee training costs, of which $16,898 was not expensed by March 31, 2019.

7. LONG TERM DEBT

	2019	2018
Scotiabank - 2.99%; repayable in monthly blended installments of $451. The loan matures on August 1, 2019 and is secured by a 2014 Dodge Grand Caravan with a carrying value of $6,916.	$ 898	$ 7,431
Current portion of long term debt	(898)	(5,258)
	$ -	$ 2,173

8. DEFERRED CONTRIBUTIONS

	2019	2018
Capital building fund	$ 610,058	$ 427,238
Restricted bequests	74,555	74,555
	$ 684,613	$ 501,793

The Organization has received a number of donations and bequests that have been designated for the construction of a new building. These contributions have been deferred and will be recorded as a reduction of the cost of the building and will be amortized at the same rate.

The Organization has received a bequest that is restricted to be used towards improvements to the surgery room. This contribution has been deferred and will be recorded as a reduction of the cost of the related assets and amortized at the same rate.

9. LEASE COMMITMENTS

The Organization has entered into a lease agreement with Konica Minolta for the lease of a photocopier. The minimum lease payments due over the next five years are as follows:

2020	$2,808
2021	$2,808
2022	$2,808
2023	$2,808
2024	$1,404

10. LINE OF CREDIT AVAILABILITY

The Organization has an approved line of credit with Provincial Credit Union of $40,000, and was not utilized at the year end. The interest rate on the line of credit is prime plus 0.5%.

11. BUDGETED FIGURES

Budgeted figures presented on the statement of operations are for information purposes only, and have not been subject to review or audit by the external auditor.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

On the audited statements prepared by another firm of Chartered Professional Accountants for March 31, 2018:

1) Cash held in bank accounts were incorrectly classified as Investments on the Statement of Financial Position. They been reclassified to be included in cash for comparative purposes and proper classification.

2) Deferred government assistance of $29,466 (2017 - $30,695) was grouped with deferred contributions as Skills PEI grant in Note 8 deferred contributions and was being amortized to revenue at the same methods and rates as the related assets were being amortized.. We have reclassified the this grant to be included with building Government assistance and contributions in Note 5 and have adjusted the related amortization and net book values.

3) The Prince Edward Island Humane Society had previously received bequests that were included on the Statement of Operations that were internally restricted for the Capital Campaign. $88,200 (2018 - $59,075 and 2017 - $29,125) have been reclassified from unrestricted net assets to the opening balance, beginning of year restricted net assets.