

PAWS FOR HOPE ANIMAL FOUNDATION

Financial Statements

Year Ended March 31, 2022

(Unaudited)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Paws for Hope Animal Foundation

We have reviewed the accompanying financial statements of Paws for Hope Animal Foundation (the Foundation) that comprise the statement of financial position as at March 31, 2022, 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 (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Paws for Hope Animal Foundation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Other Matter

The financial statements of Paws for Hope Animal Foundation for the year ended March 31, 2021 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on August 9, 2021.

Surrey, BC
June 15, 2022

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

PAWS FOR HOPE ANIMAL FOUNDATION
Statement of Financial Position
March 31, 2022
(Unaudited)

	2022	2021
ASSETS		
CURRENT		
Cash (Note 3)	\$ 137,514	\$ 230,624
Term deposit (Note 4)	10,146	10,000
Goods and services tax recoverable	9,381	8,531
	157,041	249,155
EQUIPMENT (Note 5)	3,450	7,596
	\$ 160,491	\$ 256,751
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 12,844	\$ 8,076
Deferred contributions (Note 6)	127,857	114,023
	140,701	122,099
NET ASSETS		
Unrestricted funds	19,790	134,652
	\$ 160,491	\$ 256,751

ON BEHALF OF THE BOARD

Cynthia Boulter Director

Lexy McLeod, CPA Director

See notes to financial statements

PAWS FOR HOPE ANIMAL FOUNDATION

Statement of Operations

Year Ended March 31, 2022

(Unaudited)

	2022	2021
REVENUE		
Donations	\$ 244,589	\$ 290,187
Interest	1,077	2,114
Memberships	186	50
Merchandise	88	731
Restricted grants <i>(Note 7)</i>	317,380	373,060
Unrestricted grants	25,385	69,050
	<u>588,705</u>	<u>735,192</u>
EXPENSES <i>(Note 9)</i>		
Advertising and promotion	56,168	58,893
Amortization	4,146	1,475
Conferences and events	9,466	16,702
Fund development	48,737	11,175
Information technology	7,136	1,631
Insurance	7,500	7,955
Interest and bank charges	3,526	3,624
Licenses and dues	534	598
Meals and entertainment	1,534	446
Office	5,919	9,085
Pet supplies	16,611	22,288
Professional fees	31,286	23,145
Rent	1,725	1,249
Research	-	10,700
Strategic planning	5,280	-
Telephone	4,925	3,970
Training	6,360	636
Travel	14,025	10,725
Veterinary care	295,452	311,145
Wages and salaries	183,237	145,568
	<u>703,567</u>	<u>641,010</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(114,862)	94,182
OTHER EXPENSES		
Loss on sale of marketable securities	-	(9)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (114,862)	\$ 94,173

See notes to financial statements

PAWS FOR HOPE ANIMAL FOUNDATION
Statement of Changes in Net Assets
Year Ended March 31, 2022
(Unaudited)

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 134,652	\$ 40,479
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(114,862)</u>	<u>94,173</u>
NET ASSETS - END OF YEAR	<u>\$ 19,790</u>	<u>\$ 134,652</u>

See notes to financial statements

PAWS FOR HOPE ANIMAL FOUNDATION

Statement of Cash Flows

Year Ended March 31, 2022

(Unaudited)

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (114,862)	\$ 94,173
Items not affecting cash:		
Amortization of equipment	4,146	1,475
Loss on disposal of investments	-	9
	<u>(110,716)</u>	<u>95,657</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	4,768	1,740
Deferred contributions	13,834	13,172
Goods and services tax recoverable	(850)	(2,515)
	<u>17,752</u>	<u>12,397</u>
Cash flow from (used by) operating activities	<u>(92,964)</u>	<u>108,054</u>
Investing activities		
Purchase of equipment	-	(8,233)
Purchase of term deposits	(146)	(10,009)
	<u>(146)</u>	<u>(18,242)</u>
Cash flow used by investing activities	<u>(146)</u>	<u>(18,242)</u>
INCREASE (DECREASE) IN CASH FLOW	(93,110)	89,812
Cash - beginning of year	<u>230,624</u>	<u>140,812</u>
CASH - END OF YEAR <i>(Note 3)</i>	\$ 137,514	\$ 230,624

See notes to financial statements

PAWS FOR HOPE ANIMAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

1. NATURE OF OPERATIONS

Paws for Hope Animal Foundation (the "Foundation") is a not-for-profit organization of British Columbia that was incorporated on June 16, 2011. The Foundation is dedicated towards responding to the immediate and urgent needs of animals in crisis through education programs, awareness campaigns, and community support.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash

Cash represents unrestricted cash on hand, restricted cash on hand and deposits with banks.

Term deposits

Term deposits consist of guaranteed investment certificates ("GICs"). GICs with a maturity within a year from the date of the statement of financial position are presented as current assets. GICs with a term in excess of one year from the date of the statement of financial position have been classified as long term assets. The GICs are valued at cost plus accrued interest.

Revenue recognition

Paws for Hope Animal Foundation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses 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.

Unrestricted investment income is recognized as revenue when earned.

Contributed services

Volunteers contribute a significant amount of their time to the Foundation each year. Due to the difficulty in determining the fair value of the contributed services, they are not recognized in the financial statements.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	30-55%	declining balance method
Office equipment	20%	declining balance method

(continues)

PAWS FOR HOPE ANIMAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. CASH

	<u>2022</u>	<u>2021</u>
CASH RESTRICTED FOR PROGRAMS BELOW:		
BC Gaming Account	\$ 27,857	\$ 1,803
Community Cats Reserve	-	10,000
Lakes Animal Friendship Society	-	2,220
Vancouver Foundation Grant	<u>100,000</u>	<u>100,000</u>
RESTRICTED CASH	127,857	114,023
UNRESTRICTED CASH	9,657	116,601
	<u>\$ 137,514</u>	<u>\$ 230,624</u>

4. TERM DEPOSIT

Term deposit is made up of GICs that bear interest at 0.70% per annum, maturing on June 29, 2022.

The term deposit is expected to be renewed upon maturity unless the funds are needed for operations.

5. EQUIPMENT

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2022 Net book value</u>	<u>2021 Net book value</u>
Computer equipment	\$ 10,722	\$ 7,344	\$ 3,378	\$ 7,506
Office equipment	306	234	72	90
	<u>\$ 11,028</u>	<u>\$ 7,578</u>	<u>\$ 3,450</u>	<u>\$ 7,596</u>

PAWS FOR HOPE ANIMAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

6. DEFERRED CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
BC Gaming Grant - Animal Transport Van (2021 - Better Together)	\$ 27,857	\$ 1,804
Vancouver Foundation - Animal Welfare Advisory Network of BC	100,000	100,000
Lakes Animal Friendship Society - SpayAid BC	-	2,219
Summer Lee Foundation Reserve - Community Cats Reserve	-	10,000
	<u>\$ 127,857</u>	<u>\$ 114,023</u>

Deferred contributions represent the unspent portion of funding programs. The deferred amounts will be held by the Foundation for future initiatives and will be recognized in revenue in the year which the expenses are incurred. Funding is recorded in restricted cash by the Foundation as it is subject to terms directing how these funds are to be spent. The Foundation is required to prepare reports for the grantors showing how the funds were actually spent, and if the terms are not met this could result in the grantor requesting the funds be returned.

7. RESTRICTED GRANT REVENUE

	<u>2022</u>	<u>2021</u>
BC Gaming	\$ 61,447	\$ 65,011
Better Together Grants	7,500	112,500
Chris Spencer Foundation	-	5,000
Civil Forfeiture Fund	30,000	-
Compassion in Action Fund	5,000	-
Lakes Animal Friendship Society	2,220	2,148
No Pet Left Behind	-	80,471
Nobody's Pets	11,212	-
PetSmart Charities	70,001	-
R. Howard Webster Foundation	30,000	-
River Foundation	-	8,000
SpayAid	-	20,000
The Animal Welfare Foundation of Canada	-	5,000
Vancouver Foundation	100,000	74,930
	<u>\$ 317,380</u>	<u>\$ 373,060</u>

8. CREDIT FACILITY

The Foundation has a line of credit available in the amount of \$10,000 from Vancouver City Savings Credit Union. The line of credit bears interest at the bank's prime rate plus 1.9%. At March 31, 2022, the Foundation has no amount outstanding under this facility.

PAWS FOR HOPE ANIMAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

9. EXPENSES BY PROGRAM

	2022	2021
AWANBC general	\$ 17,136	\$ 15,799
Animal intake	-	27,663
Better together	230,589	196,216
Clinic	16,086	14,186
Connections and companionship	-	10,700
Fund relief	2,762	-
Gaming (lottery and raffle)	7,653	-
Guardian angel	27,060	23,825
No pet left behind	181,028	151,958
Nobody's pets	44,122	-
Pets are not products	-	17,584
Remote underserved communities	16,086	12,134
Rescue standards association	18,029	11,855
SpayAid BC	9,435	51,389
General	133,581	107,701
	<u>\$ 703,567</u>	<u>\$ 641,010</u>

10. FINANCIAL INSTRUMENTS

The Foundation 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 Foundation's risk exposure and concentration as of March 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The foundation is exposed to this risk mainly in respect to cash.

Liquidity risk

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

Market risk

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

Interest rate 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 Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its credit facilities.

PAWS FOR HOPE ANIMAL FOUNDATION

Notes to Financial Statements

Year Ended March 31, 2022

(Unaudited)

11. ONGOING HEALTH CRISIS

In early 2020, the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Foundation's operations were impacted by COVID-19 due to the closure of operations, increase in government funding, increase in support requests, cancellation of events, and cost management strategies.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Foundation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause staff shortages, and increased government regulations, all of which may negatively impact the Foundation's business and financial conditions.
