

**DOGS WITH WINGS ASSISTANCE DOG SOCIETY**  
**Financial Statements**  
**Year Ended December 31, 2023**

**DOGS WITH WINGS ASSISTANCE DOG SOCIETY**  
**Index to Financial Statements**  
**Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Dogs With Wings Assistance Dog Society

*Qualified Opinion*

I have audited the financial statements of Dogs With Wings Assistance Dog Society (the Society), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at December 31, 2023. My audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Society in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

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

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Independent Auditor's Report to the Members of Dogs With Wings Assistance Dog Society *(continued)*

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

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

I 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 I identify during my audit.

St. Albert, Alberta  
May 31, 2024



Ken Macrae Professional Corporation  
CHARTERED PROFESSIONAL ACCOUNTANT

**DOGS WITH WINGS ASSISTANCE DOG SOCIETY**  
**Statement of Financial Position**  
**December 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 263,955	\$ 276,453
Marketable securities (Note 3)	147,641	177,811
Restricted cash (Note 4)	3,794	3,832
Accounts receivable	22,512	40,623
CEWS receivable	-	15,231
Goods and services tax recoverable	13,663	5,953
Prepaid expenses	1,590	2,443
	<b>453,155</b>	<b>522,346</b>
CAPITAL ASSETS (Note 5)	<b>754,943</b>	<b>718,001</b>
LONG TERM INVESTMENTS (Note 6)	<b>29,776</b>	<b>29,309</b>
	<b>\$ 1,237,874</b>	<b>\$ 1,269,656</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 32,070	\$ 13,286
Wages payable	24,387	10,377
Deferred revenue (Note 9)	17,492	6,058
Current portion of long term debt (Note 11)	26,129	55,197
Interest payable	1,007	-
	<b>101,085</b>	<b>84,918</b>
LONG TERM DEBT (Note 11)	<b>172,712</b>	<b>135,056</b>
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	<b>204,512</b>	<b>213,033</b>
	<b>478,309</b>	<b>433,007</b>
NET ASSETS	<b>759,565</b>	<b>836,649</b>
	<b>\$ 1,237,874</b>	<b>\$ 1,269,656</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

*Ken Macrae* Chartered Professional Accountant

**DOGS WITH WINGS ASSISTANCE DOG SOCIETY****Statement of Revenues and Expenditures****Year Ended December 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Donations, sponsorships and fundraising	\$ 464,634	\$ 752,914
Annual fundraising gala	381,550	99,254
Bequests	206,891	125,180
Grants and government assistance (Note 12)	80,800	74,939
Casino income	71,605	92,239
Other gaming, adoption program and other	69,270	148,697
Donations in kind (Note 15)	61,932	122,809
Bingo income	59,475	26,574
Deferred capital contributions	8,521	8,876
	<u>1,404,678</u>	<u>1,451,482</u>
<b>EXPENSES</b>		
Salaries and wages	791,007	693,019
Graduation and gala costs	155,365	81,481
Veterinary	92,732	85,505
Advertising and promotion	51,558	50,468
Amortization	42,427	30,466
Donated goods and services	40,981	50,782
Dog supplies and food	38,075	42,850
Office supplies	37,651	24,008
Professional fees	35,520	9,868
Travel	32,626	26,540
Repairs and maintenance	23,607	37,777
Telephone and utilities	22,408	21,744
IT equipment	18,768	14,176
Insurance	17,587	16,149
Fundraising costs	17,462	18,053
Interest on long term debt	16,051	8,312
Licenses and memberships	13,395	6,624
Training costs	10,706	4,994
Interest and bank charges	10,226	10,948
Condo fees and rent	8,580	8,580
Professional development	2,988	8,578
Meals and entertainment	2,509	712
	<u>1,482,229</u>	<u>1,251,634</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>(77,551)</u>	<u>199,848</u>
<b>OTHER INCOME</b>		
Investment income	467	379
Loss on disposal of capital assets	-	(819)
Loss on sale of marketable securities	-	(863)
	<u>467</u>	<u>(1,303)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (77,084)</u>	<u>\$ 198,545</u>

*Ken Macrae* Chartered Professional Accountant

**DOGS WITH WINGS ASSISTANCE DOG SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2023**

	2022 Balance	Deficiency of revenues over expenses	Transfers	2023 Balance
Operating Fund	\$ 462,625	\$ (43,645)	\$ (40,781)	\$ <b>378,199</b>
Property & Equipment Fund	344,715	(33,906)	40,781	<b>351,590</b>
Endowment Fund	29,309	467	-	<b>29,776</b>
	<u>\$ 836,649</u>	<u>\$ (77,084)</u>	<u>\$ -</u>	<u>\$ <b>759,565</b></u>
	2021 Balance <i>Restated</i>	Excess of revenues over expenses	Transfers	2022 Balance
Operating Fund <i>(Note 18)</i>	\$ 286,646	\$ 220,953	\$ (44,974)	\$ 462,625
Property & Equipment Fund	333,147	(22,408)	33,976	344,715
Endowment Fund	18,311	-	10,998	29,309
	<u>\$ 638,104</u>	<u>\$ 198,545</u>	<u>\$ -</u>	<u>\$ 836,649</u>

**DOGS WITH WINGS ASSISTANCE DOG SOCIETY****Statement of Cash Flows**

Year Ended December 31, 2023

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (77,084)	\$ 198,545
Items not affecting cash:		
Amortization of capital assets	42,427	30,466
Amortization of deferred capital	(8,521)	(8,876)
Share donations in kind	-	(71,996)
Loss on disposal of capital assets	-	819
Loss on disposal of investments	-	863
	<u>(43,178)</u>	<u>149,821</u>
Changes in non-cash working capital:		
Accounts receivable	18,111	(2,960)
CEWS receivable	15,231	-
Accounts payable	18,784	(25,761)
Deferred revenue	11,434	(19,052)
Prepaid expenses	853	(1,305)
Goods and services tax payable	(7,710)	(506)
Interest payable	1,007	-
Wages payable	14,010	(3,392)
	<u>71,720</u>	<u>(52,976)</u>
Cash flow from operating activities	<u>28,542</u>	<u>96,845</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(79,369)	(6,000)
Restricted cash	38	5,287
Proceeds from sale of marketable securities	-	71,134
Increase in ECF endowment fund	(467)	(10,998)
Transfer into investment account	-	(100,379)
Transfer out of investment account	30,170	-
	<u>(49,628)</u>	<u>(40,956)</u>
Cash flow used by investing activities	<u>(49,628)</u>	<u>(40,956)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	67,783	-
Repayment of long term debt	(59,195)	(27,975)
	<u>8,588</u>	<u>(27,975)</u>
Cash flow from (used by) financing activities	<u>8,588</u>	<u>(27,975)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(12,498)</b>	<b>27,914</b>
Cash - beginning of year	<u>276,453</u>	<u>248,539</u>
<b>CASH - END OF YEAR</b>	<b>\$ 263,955</b>	<b>\$ 276,453</b>



# DOGS WITH WINGS ASSISTANCE DOG SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2023

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### 1. PURPOSE OF THE ORGANIZATION

Dogs With Wings Assistance Dog Society (the "Society") is a not-for-profit organization, incorporated provincially under the Societies Act of Alberta on May 10, 1996. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The mission of the Society is to be the leading organization that fosters integration and independence for people by providing them with highly trained dogs and aftercare, in a timely manner.

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### 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 (ASNFP). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

#### Fund accounting

Dogs With Wings Assistance Dog Society follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to Dogs With Wings Assistance Dog Society's capital assets and building improvements campaign.

Endowment contributions are reported in the Endowment Fund. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund or Operating Fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

#### Revenue recognition

Dogs With Wings Assistance Dog Society 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Deferred capital contributions are recognized as revenue of the Capital fund in relation to the amortization of the property purchased.

#### Government grants

Government grants are recorded when there is a reasonable assurance that the Society had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

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# DOGS WITH WINGS ASSISTANCE DOG SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Pledges

Pledges which are legally enforceable (less an allowance for amounts considered uncollectible) are recorded as receivable in the year made. Pledges to support current operations are recorded as operating fund receipts. Pledges made for the acquisition of property or to support future operations are recorded as deferred amounts in their respective fund.

Bequests will not be recognized as a contribution receivable until a definite valuation is received from the executor of the estate after the will is probated.

#### Income Tax

The organization is a registered charity under the Income Tax Act, and therefore is not subject to either Federal or Provincial income tax.

#### Fund accounting

These financial statements include the following funds:

Operating Fund - Unrestricted

Capital Fund - Externally Restricted

Endowment Fund - Externally Restricted

#### Donated services and materials

The value of donated goods and services is recorded as revenue and as expense in the financial statements when the fair value can be reasonably estimated and when the goods and services are normally purchased and would be paid for if not donated.

The operations of the organization depend heavily on the contribution of time by volunteers. The fair value of volunteer services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Buildings	4%	declining balance method
Furniture and equipment	20%	declining balance method
Leasehold improvements	20%	declining balance method
Artwork	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	55%	declining balance method

The Society regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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## DOGS WITH WINGS ASSISTANCE DOG SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Allocation of General Expenses between programs

Management allocates general expenses to programs based on management's best estimate of each program's utilization of the cost.

##### Measurement uncertainty

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

- reported amounts of revenues and expenses
- 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 Society 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, useful lives of capital assets, asset impairments, legal and tax contingencies, employee compensation plans, and employee investment programs.

##### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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#### 3. MARKETABLE SECURITIES

The Society has a direct trading account with TD Direct Investing. At the year end, the balance is all in cash, totalling \$147,641.

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## DOGS WITH WINGS ASSISTANCE DOG SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2023

#### 4. RESTRICTED CASH

There are two (2) bank accounts included in restricted cash: 1) a "bingo" bank account to hold funds received from the AGLC until spent on authorized programs and 2) a "casino" bank account to hold funds received from AGLC until spent on authorized programs. While restricted, they are current assets as they are immediately available for qualifying expenses of the gaming accounts, the source of which, sit in current liabilities as deferred revenue. The breakdown is as follows:

	2023	2022
Cash in Bank - Bingo - TD	\$ 823	\$ 1,523
Cash in Bank - Casino TD	2,971	2,309
	<b>\$ 3,794</b>	<b>\$ 3,832</b>

The organization receives funding from the Alberta Gaming and Liquor Commission (AGLC) from volunteering to work shifts at Casinos and Bingos. The funds received pay for operating expenses, special projects and capital assets, as requested in the organization's application for a "gaming license" and approved by the AGLC.

#### 5. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Buildings	\$ 1,019,760	\$ 404,890	\$ 614,870	\$ 640,489
Land	64,000	-	64,000	64,000
Furniture and equipment	44,868	35,672	9,196	9,167
Computer equipment	41,714	33,382	8,332	3,184
Motor vehicles	67,783	10,167	57,616	-
Leasehold improvements	7,560	6,631	929	1,161
	<b>\$ 1,245,685</b>	<b>\$ 490,742</b>	<b>\$ 754,943</b>	<b>\$ 718,001</b>

Amortization provided in the current period totalled \$42,427 (2022: \$30,466).

#### 6. LONG TERM INVESTMENTS

The organization established a permanent endowment fund with Edmonton Community Foundation. The organization's net income from the fund will be 3.5% of the market value of each fund at the prior fiscal year end, and it will be used within the intent and purpose of the funds.

The intent and purpose of the funds is to support qualified donees who foster the independence and integration of people living with disabilities, with the highest priority given to providing highly skilled guide or assistance dogs.

Fair market value of the fund balance is \$29,776 (2022: \$29,309).

## DOGS WITH WINGS ASSISTANCE DOG SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 7. BANK OVERDRAFT

The organization's overdraft limit is \$150,000. At the year end, no amount was drawn against the overdraft. It's interest rate is prime (presently 7.2%) + 1%, and if drawn upon has repayment terms of interest only.

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#### 8. CREDIT CARDS

Within accounts payable there are credit cards payable of \$3,409 (2022: \$3,848). The balances on these cards is current and they have a cumulative limit of \$18,000. The cards have an annual interest rate on overdue balances of 19.99% on purchases and 22.99% on cash advances.

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#### 9. DEFERRED REVENUE

Deferred revenue represents unspent restricted contributions or funding received in advance of the actual funding period. The deferred revenue is made up of the following:

	<u>2022 Balance</u>	<u>Received</u>	<u>Revenue recognized</u>	<u>2023 Balance</u>
Casino funds - AGLC	\$ 2,310	\$ 72,266	\$ 71,605	\$ <b>2,971</b>
Bingo funds - AGLC	1,522	58,776	59,475	<b>823</b>
Alberta government CIP	-	75,000	61,302	<b>13,698</b>
SIT Program	2,226	-	2,226	-
	<u>\$ 6,058</u>	<u>\$ 206,042</u>	<u>\$ 194,608</u>	<u>\$ <b>17,492</b></u>

The SIT programs deferred revenues were reallocated to the operating fund at the request of the donor and recognized as revenues against current operating expenses.

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## DOGS WITH WINGS ASSISTANCE DOG SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2023

#### 10. ENDOWMENT FUND

The endowment fund's market value increased to \$29,776 during the year resulting in a transfer of \$467 (2022: \$10,998) into the fund.

#### 11. LONG TERM DEBT

	2023	2022
TD Canada Trust - CEBA (Canada Emergency Business Account) loan bearing interest at 0% per annum, repayable by December 31, 2023. The loan was repaid in 2023.	\$ -	\$ 30,000
Mortgage Payable loan bearing interest at prime plus 1% per annum (presently 8.20%), repayable in monthly blended payments of \$3,024. The loan is secured by real property with a carrying value of \$614,870.	135,677	160,253
TD Auto Loan - Lexus loan bearing interest at 8.49% per annum, repayable in monthly blended payments of \$1,390. The loan matures on July 19, 2028 and is secured by an automobile which has a carrying value of \$57,616.	63,164	-
	198,841	190,253
Amounts payable within one year	(26,129)	(55,197)
	<u>\$ 172,712</u>	<u>\$ 135,056</u>

The TD real property is a demand loan that can be called at any time. Given the relatively low amount of the remaining loan, the fact that covenants have been met, combined with the unlikelihood of the loan being called, the loan has not been shown as "Callable Debt" in these financial statements.

Principal repayment terms are approximately:

2024	\$ 37,901
2025	41,166
2026	44,711
2027	48,562
2028	26,501
	<u>\$ 198,841</u>

## DOGS WITH WINGS ASSISTANCE DOG SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 12. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributions received to fund the cost of previous property and equipment additions. The funds were fully spent on the acquisition of the building. The capital contributions are amortized to revenue at the same rate as the building is amortized. The changes in the deferred contributions balances are as follows:

	<u>2023</u>	<u>2022</u>
Deferred contributions, beginning of the year	213,033	221,910
Less amount amortized to revenue	<u>(8,521)</u>	<u>(8,877)</u>
Deferred contributions, end of year	<u>\$ 204,512</u>	<u>\$ 213,033</u>

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#### 13. FUND DEVELOPMENT

Resource development expenses incurred for the purpose of soliciting contributions were \$295,691 (2022: \$261,538). Of that, \$108,475 (2022: \$149,341) was remuneration paid to employees whose duties mostly involve fundraising.

No expenditures were paid to third parties for soliciting contributions.

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#### 14. GRANTS AND GOVERNMENT ASSISTANCE

Included in government assistance is Canada Emergency Wage Subsidy (CEWS) proceeds of \$nil (2022: \$39,141), a part of the federal government COVID-19 relief program. The 2022 amount is net of \$25,510 of adjustments to claims received in the previous years, as a result of a Canada Revenue Agency review of claims made. The federal government CEBA loan was repaid by the due date, ensuring the \$10,000 forgivable portion of the loan was forgiven.

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#### 15. DONATIONS IN KIND

Donations in kind consist of \$28,589 travel donations, \$20,951 shares, \$1,095 items for silent auction, \$10,272 supplies, \$23 vet expenses, \$1,002 from employees.

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## DOGS WITH WINGS ASSISTANCE DOG SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 16. FINANCIAL INSTRUMENTS

The Society 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 Society's risk exposure and concentration as of December 31, 2023.

##### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from donors. In order to reduce its credit risk, the Society receives a pledge form and assesses the donors financial capability to pay and past history. It is not recorded if the donor is unlikely to pay. The Society has a significant number of donors which minimizes concentration of credit risk.

##### Liquidity risk

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

The organization manages liquidity risk by maintaining adequate reserves, banking facilities, and monitoring forecast and actual cash flows. The organization has \$150,000 of available borrowing facilities.

##### 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 Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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

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## DOGS WITH WINGS ASSISTANCE DOG SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 17. RELATED PARTY TRANSACTIONS

The following is a summary of the organization's related party transactions measured at cost:

	<u>2023</u>
Jeremy McConnell (Board of Director) Donations from ATL Construction - Cash	<u>\$ 10,585</u>
Gina Mytruk (Board of Director) Donations - Cash	<u>\$ 1,900</u>
Carmen Maslowski (Board of Director) Donations - Cash	<u>\$ 521</u>
Shelagh Creagh (Board of Director) Donations - Cash	<u>\$ 440</u>

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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#### 18. PRIOR PERIOD RESTATEMENT

The opening Net Assets for 2022 have been restated to increase the operating fund by \$15,231. This is due to a refund from CRA for a CEWS (Canada Emergency Wage Subsidy) filing relating to the COVID time period. This should have been income of 2021 so the opening Net Assets for 2022 is restated from \$271,415 as previously reported, to \$286,646 in this financial statement.

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#### 19. SUBSEQUENT EVENTS

After the year end, the organization settled with a claimant for \$60,000. Also, there were additional legal fees paid of \$12,958.

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