



Regina  
Humane  
Society

# 2018 Annual Report



**MORE** than a Shelter

# BETTER TOGETHER

Dear Friends,

The pages that follow tell the story of our shared commitment to make Regina the most humane community in Canada. Every life we save, every second chance we give, every new home we make possible, we do together. Our efforts add up to an elevated standard of compassion and care for every animal.

While we continue to provide core services to support the health and well-being of pets and people in our community, we see those needs evolving. Consistent with national trends, the number of animals surrendered to our Shelter in need of medical care and rehabilitation continues to increase. To meet this changing demand, Capacity for Care, a best practice shelter medicine program introduced over the last five years, was fully implemented in 2018. This program includes coordination of Shelter intake to align resources to best meet the needs of every animal and to support successful outcomes.

Keeping pets in their loving homes, rather than separating them from their family, remains an integral part of our lifesaving strategy. In addition to a continued focus on accessible spaying and neutering, new Alternatives to Admission resources were developed in 2018, offering assistance to struggling pet owners. The goal of these resources is to decrease the number of unwanted animals suffering and to help keep pets with their owners.

As the City's population grows, so too does the demand for all our services. Each year it becomes more challenging to deliver critical services in a facility that is time-worn and expired. 2019 will be a landmark year for us as we secure the location of our new Animal Community Centre, which will be a game changing hub of humane care and community involvement. In 2018, we were humbled by the donation of a significant estate gift from a generous benefactor which is giving us a great start to our upcoming capital campaign to fund our building.

Innumerable opportunities for growth, improvement and achievement in our programs for animals and people lie ahead. We will continue developing and refining strategies to save more animal lives while making financially responsible choices through ethical fundraising methods and self-generated revenue streams. This will ensure that our Shelter is financially stable for the future as we embark on this new chapter in our shared story.

We look forward to your continued involvement and support through the incredible journey ahead. We are so grateful for your generosity and trust in our organization. On behalf of the animals whose lives, together, we have touched, we thank you.

With gratitude,



**Chris Taschuk**  
President



**Lisa Koch**  
Executive Director

# OUR COMMITMENT

The Regina Humane Society respectfully serves animals and the community. Since 1964 we have passionately encouraged responsible pet ownership and humane policies, legislation, and progressive animal welfare programs.

We offer clean, healthy and safe facilities for unwanted, lost, abused and neglected animals. We provide compassionate, professional and caring adoption, cremation and animal protection services, and educational and public safety programs. We are accountable to animals, pet owners, members, volunteers, donors, employees and our community.

We work in partnership with members of our community and are proud of the care, quality and leadership we provide.

## VALUES

### Compassion

We are caring, empathetic and understanding.

### Professionalism

Our facilities are clean and safe. Our people are ethical and knowledgeable. Our policies are balanced. We are proud to be of service.

### Teamwork

We collaborate, co-operate and build trusting networks within the community.

### Integrity & Honesty

We are accountable, responsible and respectful.

### Leadership

We are focused, driven by immediacy and a desire to make a difference, while being financially stable (because financial stability is the foundation to future success).

### Care

We provide support through camaraderie, collegiality and a positive atmosphere, supporting one-another through difficult times and celebrating success.

# THE BIG PICTURE

## Strategic Goal

*To create the most humane community in Canada through a commitment to animal lifesaving.*

The Regina Humane Society Strategic Plan incorporates our Mission, Vision and Values in a framework that serves as our most fundamental guide to decision-making. As our community evolves, we must operate from a position of flexibility, capable of adapting quickly to changes in our operating environment as well as animal welfare best practices. That flexibility is targeted towards a common Strategic Goal and a shared sense of who we are and where we are going. Three Strategic Priorities encompass multiple Strategic Initiatives which define the primary activities to achieve our vision. Having a well-thought out plan is essential – so is measuring its effectiveness. A Balanced Scorecard allows us to measure our progress by showing where we are on the right track and where further work and resources may be needed.

We will lead and energize our community to work in partnership in the implementation of best practice shelter management and community lifesaving programs to ensure quality care and save more animal lives. Together, we will fundraise and build the foundation of our lifesaving community – a new Animal Community Centre to replace the current time worn and expired facility which is remote, crowded and not user friendly. To ensure our longevity, we will generate income streams that support existing animal welfare initiatives and fund future needs.

## Three Strategic Priorities

- 1 LIFESAVING**  
Implement best practice animal lifesaving strategies
- 2 NEW ANIMAL COMMUNITY CENTRE**  
Design and construct a new shelter
- 3 FINANCIAL STABILITY**  
Raise funds to support existing and future needs

# JOURNEY TO ZERO

## *Saving Every Healthy and Treatable Animal*

Long journeys can be the most challenging ones. Through our lifesaving strategy implemented a decade ago, our destination to end the euthanasia of healthy animals has been reached with significant achievements towards our goal of zero treatable animals euthanized. Best practice shelter management, accessible spay/neuter services, progressive adoption and return to owner initiatives, collaborative transfer programs and prevention resources continue to be the pillars of this lifesaving strategy.

In 2018, the Society implemented the final phase of its Capacity for Care (C4C) practices which have helped to save increasing numbers of animal lives during its implementation over the last five years. A best practice shelter management model, C4C helps shelters better meet the needs of the animals in their care. Managed admission systems were fully implemented early in 2018 to optimize the number of animals who are in the Shelter at any one time so that individual animals have better conditions and successful outcomes, and the overall number of animals who can be helped is greater. Moving animals through our Shelter system in this strategic way supports the flow of animals to reduce their length of stay and have them move quickly into adoptive homes or other locations where their welfare may be better met than in the shelter.

In addition to playing a critical role in our community providing refuge, protection, and care for animals in need, we continued our commitment to pets and their people through our pet retention outreach efforts with the launch of new Alternatives to Admission resources in 2018. Since our strategy's implementation in 2008, best practice partnership, outreach and shelter management programs have continued to drive our progress for animals and engage our community with amazing results.



\*since opening RHS clinic 2011

# TOGETHER WE...

## Enriched

the lives of residents in hospitals and seniors facilities through **485 Pet Assisted Therapy visits.**



## Strengthened

the bond between **392 dogs and their owners** through 75 play and reward based learning classes.



## Educated

children through the launch of **Teacher Resource Kits and Student Learning Guide** imparting lessons in humane values, responsible pet care and animal safety.



## Advanced

animal welfare through participation in the Humane Canada's Advisory Committee for the development of national standards and accreditation for the humane sector.

## Investigated

**748 animal cruelty complaints** under provincial and federal legislation. The RHS receives no government funding for this vital service made possible only by our community of donors.



## Reduced

unwanted **pets** with 2,168 subsidized lifesaving spay/neuter surgeries.



## United

Regina Cat Rescue, Regina veterinarians and the City of Regina in the delivery of a community cat welfare strategy through the **Regina Cat Coalition.**



## Fostered

**453 infant, injured, ill or afraid pets** to recovery with **151 Foster Families.**



## Advocated

for improvement of **Saskatchewan's outdated animal cruelty legislation** resulting in an updated Animal Protection Act proclaimed in September 2018.

# A SAFETY NET

## For Every Pet in Need

When every other door in an animal's life closes, ours are open. As the only open admission animal shelter for the City of Regina, as well as the community's Municipal Impoundment Facility, we are a safety net for any animal in our community who needs help regardless of their breed, age, temperament or medical condition.

The Regina Humane Society collects and reports its statistics according to a North American and widely recognized formula for animal shelters. This standard method of capturing data allows the Society to more easily compile statistics and compare its work to the work of other shelters both locally and nationally. The statistics focus on a "Live Release Rate", which is the percentage of pets that leave shelters alive. We believe that it is acceptable to euthanize animals for humane reasons to eliminate pain and suffering or for untreatable temperament reasons where they could cause harm. Therefore, decreasing incoming and increasing the "live release rate" to 100 percent of healthy and treatable animals is what the Regina Humane Society strives for. In 2018, we served the following animals in need.

### PETS RECEIVED

Cats and kittens	2,444
Dogs and puppies	1,136
Small critters	134
<b>TOTAL</b>	<b>3,714</b>

### PETS REUNITED

Cats and kittens	216
Dogs and puppies	361
Small critters	13
<b>TOTAL</b>	<b>590</b>

### PETS ADOPTED

Cats and kittens	1,440
Dogs and puppies	549
Small critters	68
<b>TOTAL</b>	<b>2,057</b>

### PETS TRANSFERRED

Through placement partners and other sheltering organizations	
In	74
Out	103



Total number of pets saved: **2,750**

Live release rate: **75%**

*Of the 988 pets that were humanely euthanized, 70% were euthanized for serious health or behaviour issues, 30% had medical conditions or were medically contagious. Euthanasia figures also include animals euthanized, in the same categories, from hoarding seizures.*



# HOME AT LAST

If there was ever a dog in search of a place to call home, it was Legend. During March 2018, Animal Protection Officers were busy with calls from the public reporting sightings of an illustrious Boxer Staffordshire Terrier mix running loose near the Regina Airport. Each time Officers responded, she was nowhere to be found, but they never gave up on their girl! Daily patrols of the area along with a strategically placed feeding station resulted in continued sightings, but she was too frightened, and too fast, to be captured. As the weather warmed, a humane trap was set to capture the runaway. After one ever-so-close encounter when the trap failed to trip, Officers were more determined than ever to bring her to safety. Finally, in April – success! Legend, as she had been named, literally melted into the arms of the Officers when they freed her from the trap. There was no need to run anymore. She was safe. Following examination by the RHS veterinary team and some good groceries to fill out her slim frame, Legend was ready to turn her long saga alone into history. Her sweet and gentle personality found her a home where the legend of Lily, as she is now named, lives on.

The Regina Humane Society has been connecting hearts for more than 55 years. Each year we reach higher and higher to ensure animals like Legend find their way home. Legend is just one of 2,762 pets who found their family through advances in return to owner programs and progressive adoption initiatives.

- 2,057** Adoptions
- 420** Satellite Adoptions  
*(Pat's Pets, PetSmart, Pet Depot, Pet Value, Petland)*
- 590** Lost & Found Reunions

*Legend*  
Photo credit: Diggety Dog Pet Photography

# HELPING HANDS AND HEARTS

Fresh approaches to engage our community to help animals are a vital component of our lifesaving strategy. Whether providing a safe haven for newborns or pets in recovery, selling raffle tickets, folding laundry or promoting adoptable animals and events through their social media channels, our volunteers are helping hands, and hearts, to animals in need.

Many of these hands and hearts hard at work at the Shelter each week belong to hundreds (228 in 2018) of Regina high school students. School is cool for this class of volunteers who make a big difference in the lives of Shelter pets through co-operative service learning programs each year. Whether they are making enrichment toys, reading aloud to Shelter pets or getting hands on grooming, bathing and walking their four-legged charges, students learn that it takes a community to help animals. Service learning programs build skills in leadership, collaboration and communication while helping these young volunteers to develop a deeper understanding of themselves and empathy for others. These lessons in love are a win-win for our community's youth and homeless Shelter pets.

- 667** Volunteers
- 7,418** Volunteer Hours
- 151** Foster Families
- 51,955** Social Media Supporters



*Mirabel and Elmo*



Tulip

## IN FROM THE COLD

The temperature was hovering near -20° C when delicate Tulip was found and brought to the Shelter by Animal Protection Officers. Her fragile ear tips were swollen, purple and floppy. Her paw pads were blood-red and enflamed. Her coat was in terrible condition and she smelled of urine. When Officers offered her a dish of food, the young cat was ravenous, purring loudly as she devoured her first meal in a long time.

Thanks to our community of donors, the Regina Humane Society veterinary hospital and its veterinary team, certified by the Saskatchewan Veterinary Medical Association, were there to provide Tulip with the urgent medical care she needed to recover from the trauma she had suffered. Supported by a team of foster families who help these vulnerable animals on the road to recovery, the RHS veterinary hospital gives thousands of injured, ill or abused animals hope for a happy ever after.

In addition to being extremely painful and leading to the loss of parts of ears, tails, noses, toes, and feet, frostbite can be fatal if injured areas later become infected. Thankfully for Tulip, only the dead and damaged tissue on her ears would need to be removed and she bloomed in the care of the Society's veterinary ward. Tulip made short work of gaining back her lost weight and was soon ready to spring into her new life. Tulip now encounters the great outdoors from the windowsill in her new home. Her new mom and canine sister, Blanche, ensure that she will never be cold and alone again.

The Society continuously seeks advancements in standards of care for its animals and is committed to providing high quality veterinary care to every homeless animal during their temporary stay at the Shelter. In 2018, our skilled veterinarians performed 2,017 ill animal medical exams, progressive treatments and rehabilitation services in addition to performing 2,168 spay/neuters and 42 reparative surgeries. The RHS veterinary hospital and its dedicated veterinary team are an essential part of the work we do every day to heal hurts and hearts.

## TO THE RESCUE

Responding to close to 4,500 calls in 2018, RHS Officers wear many hats, rescuing injured or lost animals, enforcing municipal and provincial animal laws and providing education on the humane care and treatment of animals.

RHS Animal Protection Services are delivered under established legislation, specifically the Animal Protection Act of Saskatchewan, the Criminal Code of Canada and the Canadian Charter of Rights and Freedoms. Our provincially badged Animal Protection Officers investigate allegations of neglect and abuse, execute search warrants, issue notices to comply, seize animals where warranted and submit case files to Crown Counsel so that animals can be protected from further harm and abusers can be held accountable. RHS Animal Protection Officers are dedicated to working closely with pet owners to resolve a majority of complaints received through education and support.

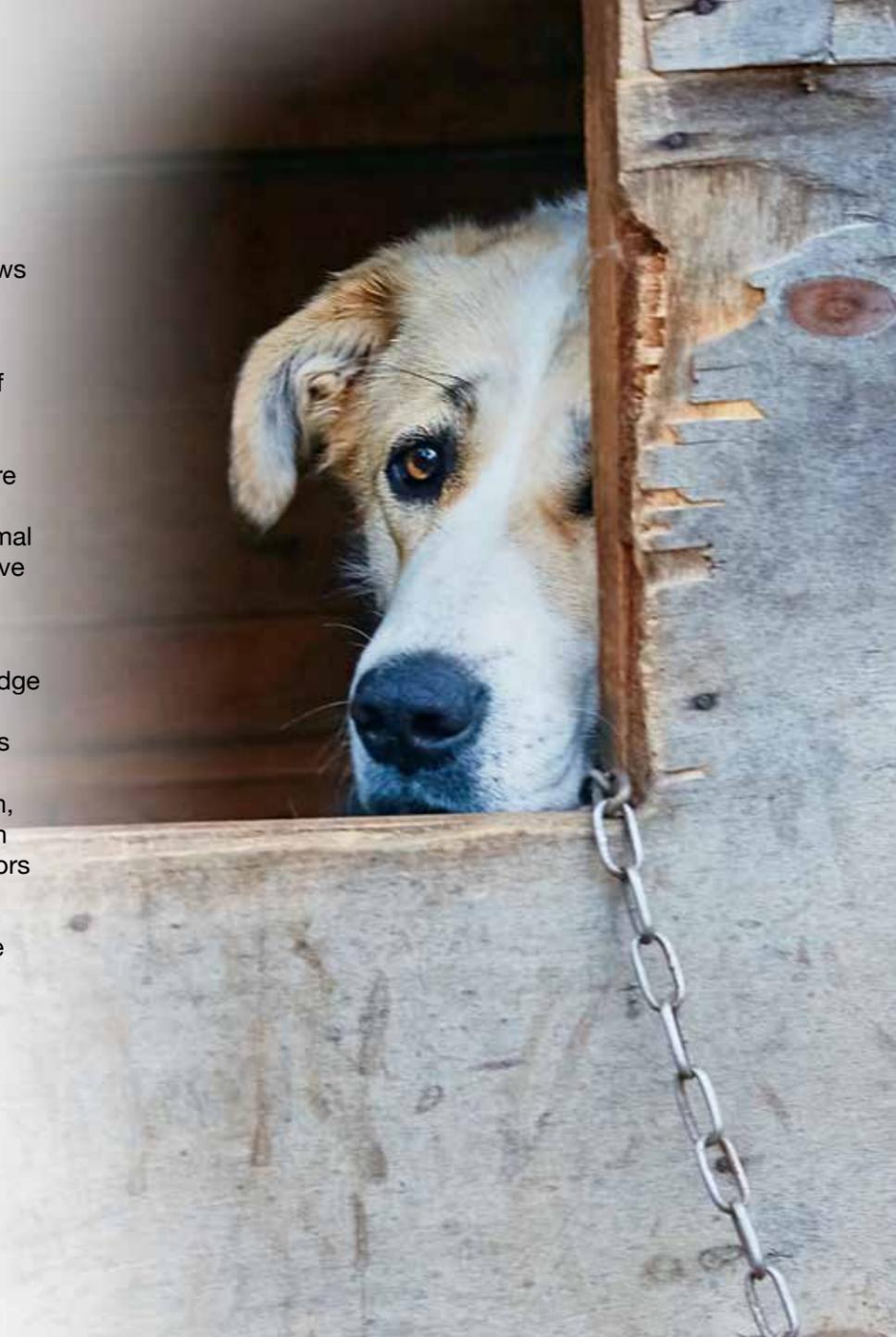
Animal Protection Services are a comprehensive system which includes enforcement of animal protection legislation, provision of specialized knowledge and assistance to policing forces and delivery of forensic, shelter, veterinary and rehabilitation services to the victims of neglect and abuse. Where there is animal abuse, there is often mental illness, criminal activity or family violence requiring integrative solutions and collaborative initiatives involving education, law enforcement, social service agencies as well as human and animal health care. This vital animal welfare system is not funded by government. Our donors alone ensure we are there for those at risk animals and their families.

Working in collaboration with other provincial animal protection agencies, the RHS successfully advocated for revisions to improve Saskatchewan's dated animal cruelty legislation. A new Animal Protection Act and accompanying Regulations was proclaimed in September 2018.

**748** Animal Cruelty Cases Investigated

**5** Criminal Files

**1** Conviction





# BUILDING HUMANE COMMUNITIES

There is a human element to animal welfare that often gets overlooked. A humane community is one that not only cares for animals, but also for the people attached to them.

As a leader in progressive animal welfare, we are committed to supporting humane communities by dramatically enhancing and expanding our prevention outreach initiatives. Although pet ownership crosses all social and geographic boundaries, the means to access pet wellness services does not. For many people who are struggling to make ends meet, the companionship and emotional support of a family pet play a central role in their well-being. RHS outreach strategies are designed to extend the reach of animal services, resources and information to underserved areas. Addressing the critical need for accessible pet care, our programs help animals by empowering the people who care for them.

One of the ways this is achieved is through large-scale community outreach events such as the Animal Well Fair and Pet S.T.O.P (Supply, Training and Outreach Program) in at risk areas. Need-based pet identification, care supplies, subsidized spay/neuter, education programs and other wellness resources are delivered in these areas where the highest incidence of animal population and welfare issues exist due to financial and accessibility barriers. Since its inception in 2011, the RHS Spay and Neuter Clinic has provided fully or partially subsidized spay, neuter, microchip and tattoo services to 17,726 adopted and community pets (2,168 in 2018).

Meeting people where they are and understanding their circumstances is critical in creating real and lasting change for animals in our community.

The special connection between pets and people is the foundation of the Regina Humane Society's Safe Places and Pet Assisted Therapy outreach programs. Vulnerable families receive help through the Society's Safe Places Program by providing interim foster care for the pets of those escaping domestic violence and transitioning into a non-abusive environment. Through the RHS Pet Assisted Therapy Program, volunteers and adoptable pets provide more than just the warm fuzzies to program participants in schools, hospitals, care homes and rehabilitation centres. These therapeutic visits help to alleviate feelings of isolation and loneliness, reduce anxiety and depression, and provide opportunities to experience joy and promote social interaction. In 2018, 485 visits were made to share the comfort of pet companionship.

In 2018, the Society encouraged more educators to incorporate animal welfare learning into the classroom with the launch of its new student Learning Guide. The resources available as part of the Society's "Kids Who Care" Humane Education Program is helping a new generation of animal advocates learn about empathy, responsibility and caring. The Society's partnership with the Saskatchewan Health Authority in the delivery of the "Be Dog Smart" dog bite and rabies prevention program is increasing safety and reducing risk in our schools and community.

**1,355** Humane Education Program Participants

**2,168** Subsidized Sterilizations

**2,415** Identification Microchips Placed

**485** Pet Assisted Therapy Visits



# GOVERNANCE AND ACCOUNTABILITY

## Introduction

Established in 1964, the Regina Humane Society (RHS) exists to provide an animal welfare shelter for neglected, abused and abandoned animals as well as investigation services to enforce The Animal Protection Act of Saskatchewan and The Criminal Code of Canada. These services have been funded through voluntary donations and self-generated income. In 1988, the City closed their pound and entered into an agreement with RHS for the Society to provide care and housing of city animals. In 1998, the contract with Bylaw Officers was up for renewal, and bylaw enforcement was also contracted to the Society.

RHS operates as a Canada Revenue Agency registered charity, and is therefore exempt from paying income tax and can issue official donation receipts for gifts it receives. RHS receives no government funding and is not a United Way agency. RHS is not affiliated with any national or provincial humane organizations nor any local or regional humane societies or SPCAs; each is a grassroots, independent and autonomous not-for-profit organization serving individual community needs.

RHS operates in Saskatchewan under The Non-profit Corporations Act and is regulated by the RHS bylaws, which identify the organization's name, purpose, membership composition, fees and meetings, duties of officers, and wind-up procedures. According to those bylaws, the RHS mandate is as follows:

- ensure the humane treatment of animals;
- provide the facilities and amenities for this purpose;
- encourage the humane treatment of animals by all means possible;
- encourage spaying and neutering of all dogs and cats;
- develop and promote an education program stressing responsible pet ownership and care;
- carry out these objects in the City of Regina and surrounding districts; and assist other municipalities or other individual people requesting our assistance.

RHS is an animal welfare organization, rather than an animal rights organization. Animal welfare is the viewpoint that animals, especially those under human care, should not suffer unnecessarily, including where the animals are used for food, work, companionship, or research. This position focuses on the morality of human action or inaction, as opposed to making deeper political or philosophical claims about the status of animals. RHS directs its energies to inspire and mobilize society to create a world in which all animals and, in particular, those animals whose lives we can influence, enjoy as a minimum five essential freedoms of animal welfare:

1. freedom from hunger and thirst
2. freedom from pain, injury and disease
3. freedom from distress
4. freedom from discomfort
5. freedom to express behaviours that promote well-being

## Accountability

The RHS organization and its employees serve and are accountable to the membership and a number of community stakeholders including:

- Members, adopting families, volunteers, donors and sponsors who are the core of our organization.  
*Daily someone adopts an animal or donates money so that more animals can live better, healthier and more enriched lives.*
- City of Regina administrators, politicians, community members, public health, safety and service workers (police, fire fighters, meter readers) who rely on RHS employees who provide support services involving public health and safety and the continuation of the courts.  
*A dangerous dog is removed by RHS employees from a playground, which saves children from serious injuries.*
- Professionals who help RHS operate through sponsorship, promotions or professional advice including local media and businesses, financial planners, lawyers and accountants.  
*A lawyer helps their client prepare a will leaving their legacy with the RHS to help animals for the future.*
- Veterinarians, animal welfare/rights groups, individuals and the pet care industry.  
*RHS works with charitable animal welfare groups to provide accessible spay/neuter services as well as donating excess supplies.*

## Leadership

The role of the Board is to provide governance oversight for the RHS. In all but exceptional circumstances, Directors are not expected to carry out a hands-on management role.

The Board of Directors hires the Executive Director who hires the Management Team to run the day-to-day shelter operations and implement the strategic plan. The RHS Board of Directors is a volunteer board and no member of the Board receives compensation to perform their Board role.

In addition to demonstrating a base of compassion for animals, the Board of Directors is actively recruited to bring a wide range of specific competencies and professional expertise to the organization.

They are elected to the Board at the Annual General Meeting and when vacancies occur throughout the year, are appointed by the Board.

# 2018 BOARD OF DIRECTORS

## PRESIDENT

**Louise Yates**, B. V/T Ed., M.B.A. \*To April 2018  
*Partner, K-Lane Kennels*

**Chris Taschuk**, P. Eng., PMP \*Elected April 2018  
*Senior Vice President, Farm Credit Canada*

## VICE-PRESIDENT

**Timothy F. Huber**, B.A., J.D.  
*Counsel, Law Society of Saskatchewan*

## TREASURER

**Karen Mayne**, CPA, CMA  
*Chief Financial Officer/Chief Operating Officer, Paradigm Consulting Group Inc.*

## DIRECTORS

**David Bellerive** \*Elected April 2018  
*Vice President Creative & Interactive, Phoenix Group*

**Glenn Fradette**, CPA, CA  
*Detteson Management Inc.*

**Gayl Hipperson**  
*Non-Profit Professional, Retired*

**Dr. Melissa Hunchak**, DVM  
*Veterinarian, Careport Animal Hospital*

**Andrea Johnston**, B.Comm., J.D. \*To June 2018  
*Director of Admissions and Education,  
Law Society of Saskatchewan*

**David Kim Jones**, B.A. (Honours), M.A., LLB  
*Senior Crown Prosecutor, Saskatchewan Justice*

**Cathy Joyner**, BHEc, MPA  
*HR Professional, Retired*

**Steve Miller**, B. Admin., PMP \*Appointed September 2018  
*Human Resources, Health & Safety Manager, Degelman*

**Dr. Kathleen O'Reilly**  
*Associate Professor of Education, First Nations  
University of Canada, University of Regina*

**Chris Taschuk**, P. Eng., PMP \*President elect April 2018  
*Senior Vice President, Farm Credit Canada*

**James Youck**, B.A., B.Arch., SAA, MRAIC,  
AIA Int'l Associate  
*Principal, Architect, P3Architecture Partnership (P3A)*

**Jennifer Zalusky**  
*Medical/Surgical Sales Representative, Medtronic*



## Governance Committee

Assists the Board of Directors and Management to fulfill its oversight responsibilities by reviewing all aspects of the Board's governance framework to ensure that the Board functions in an effective and efficient manner that successfully supports the operations of the Regina Humane Society.

### Board Committee Chair

Louise Yates, B. V/T Ed., M.B.A. *\*To April 2018*  
Chris Taschuk, P. Eng., PMP *\*Elected April 2018*

### Board Committee Member

Tim Huber, B.A., J.D.

### Management Committee Member

Lisa Koch, B.Ed.

## Audit and Finance Committee

Provides oversight of RHS accounting and financial reporting processes, systems of internal accounting and financial controls, risk management, investment policy and the audits of the Company's financial statements.

### Board Committee Chair

Karen Mayne, CPA, CMA

### Board Committee Member

Glenn Fradette, CPA, CA

### External Committee Members

Lou Beatch, CPA, CA, CMA  
Brenda Johnson, CPA, CGA

### Management Committee Members

Lisa Koch, B.Ed.  
Steve Battistolo *\*To February 2018*  
Sharon Swanson, CPA, CA *\*From April 2018*

## Human Resources Committee

Assists RHS by providing guidance and counsel first to the RHS management team, and secondly to the Board regarding human resources (HR) functions as they pertain to the day-to-day operations and strategy of the RHS respectively.

### Board Committee Chair

Cathy Joyner, BHEc, MPA

### Management Committee Member

Lisa Koch, B.Ed.

### External Committee Members

Shelley Lichtenwald, CPHR *\*To September 2018*  
Dawn McKibben, B.Admin. *\*To June 2018*  
Bobbie-Lee Zeiben, B.A., CPHR  
Betty Rogers, B.Ed., CPHR  
Cortnie Jacobson, B.Admin., CPHR  
Donna Kane, B.Ed., CPHR, CEC *\*From January 2018*  
Dawn Anaquod, MHRM, BBA, CPHR, ACC  
*\*From September 2018*

## Animal Advisory Committee

Reviews existing RHS position statements on issues pertaining to the treatment of animals and recommend revisions where appropriate; and further to broaden the scope of issues and develop position statements for review and approval by the Board of Directors.

### Board Committee Chair

Kim Jones, B.A. (Honours), M.A., LLB

### Board Committee Members

Louise Yates, B. V/T Ed., M.B.A. *\*To April 2018*  
Gayl Hipperson  
Jennifer Zalusky  
Dr. Kathleen O'Reilly

### External Committee Member

Louise Yates, B. V/T Ed., M.B.A. *\*From April 2018*

### Management Committee Members

Lisa Koch, B.Ed.  
Lindsay West, B.Sc.

## Capital Steering Committee

Provides oversight to the construction and operationalization for Regina's new animal shelter, including fundraising and stakeholder engagement.

### Board Committee Chair

Louise Yates, B. V/T Ed., M.B.A. *\*To April 2018*  
Chris Taschuk, P. Eng., PMP *\*Elected April 2018*

### Board Committee Members

Tim Huber, B.A., J.D.  
Cathy Joyner, BHEc, MPA  
Karen Mayne, CPA, CMA  
James Youck, B.A., B.Arch., SAA, MRAIC,  
AIA Int'l Associate  
Jennifer Zalusky

### Management Committee Members

Lisa Koch, B.Ed.  
Steve Battistolo *\*To February 2018*  
Karen Mercier, CFRE, B.Ed. *\*To October 2018*  
Bill Thorn

## RHS Management Team

Lisa Koch, B.Ed.  
Executive Director

Steve Battistolo *\*To February 2018*  
Director of Operations

Lindsay West, B.Sc. *\*From February 2018*  
Director of Operations

Karen Mercier, CFRE, B.Ed. *\*To October 2018*  
Director of Development

Deanne Guest, B.B.A. *\*From October 2018*  
Director of Development

Dr. Brie Hamblin, DVM *\*From August 2018*  
Director of Veterinary Care

Dr. Katherine Ball, DVM, PhD *\*To August 2018*  
Interim Director of Veterinary Care

Bill Thorn  
Director of Marketing and Public Relations

## Code of Conduct

The RHS Board of Directors, all employees including permanent, term, contract and work placements, and foster families are bound by the RHS Code of Conduct which clarifies expectations and creates an environment that fosters disclosure of contravention.

## Audit

RHS annual financial statements are audited by Virtus Group Chartered Accountants & Business Advisors LLP. Members of the Audit Committee are independent of management. All committee members are financially literate and several members are considered to be financial experts. The Audit Committee oversees RHS' financial performance and ensures the integrity, effectiveness and accuracy of the corporation's financial reporting, control systems, processes and audit functions.

## Strategic Planning

In alignment with the organization's mandate, mission, vision, values, RHS uses the balanced scorecard model for strategic planning. This framework uses financial and non-financial measures to determine progress towards the organization's strategy.

The strategy is RHS' change agenda – it is an itemized list of objectives and actions that an organization does so it can be sustainable for the future; however, the day-to-day business goes on. In addition to the strategy components of this plan, key measures and targets for business-as-usual activities are identified. These provide employees with clarity about measures and targets that management and the board are working toward.

## Enterprise Risk Management

Enterprise Risk Management (ERM) is a process used to manage risks and seize opportunities. The RHS ERM framework includes identifying a comprehensive list of negative events or circumstances that could impact the organization, assessing them in terms of likelihood and magnitude of impact, determining a response strategy, implementing the strategy, and monitoring progress.

This process allows RHS to avoid issues and capitalize on opportunity in a more holistic manner while creating value for stakeholders, including donors, employees, customers, partners, regulators, and society overall.

## 2018 Top Risk List

### Image/Reputation

The potential for negative publicity or public perception regarding RHS activities or positions, whether true or not, to damage the organization's image in the community, or reduce long-term stakeholder confidence in the Society's ability to fulfill its mandate causing decline in the customer base or revenue reductions.

### Financial Risk

The possibility of decline in donations, self-generated revenue streams or fundraising activities which can risk the organization's financial stability and operational sustainability.

### Safety Risk - Human

The prospective danger or threat of harm, injury, or loss to personnel or the public, whether caused deliberately or by accident, during the delivery of RHS programs or services.

### Human Resource and Labour Risks

The potential negative impact of inadequate recruitment, development and retention of human resources.

### Safety Risk - Animal

The prospective danger or threat of harm, injury or loss to animals, whether caused deliberately or by accident, during the delivery of RHS programs and services.

### Theft Risk

The possible risk for staff or the public to commit acts of deception, misrepresentation or illegal activity at the cost of the organization.

### Disaster Risk

The potential risk that the organization may incur losses from damage or destruction of tangible assets or a decline in the quality of the working environment as a result of disasters or inability to maintain assets.

### Privacy/Security Risks

The potential risk that customers or the organization may incur losses arising from loss of critical databases, inappropriate use of protected information or unauthorized use of computer systems and data.

### New Facility

Risks associated with directing and coordinating resources, relationships and reputation to achieve predetermined new facility capital project objectives of scope, cost, financing, time, quality, stakeholder satisfaction and sustainability.

### Public Animal Welfare Misconception

Risks from established misperceptions which polarize animal rescues and shelters without knowledge or understanding of the significant complexities involved in open or limited animal admission agencies and their impact on animal welfare, animal rehoming and euthanasia as a whole.

## INDEPENDENT AUDITORS' REPORT

**To the Members,  
Regina Humane Society Inc.**

*Qualified Opinion*

We have audited the accompanying financial statements of Regina Humane Society Inc. ("the Society") which comprise the statement of financial position as at December 31, 2018, 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.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Society derives a portion of its revenue in the form of 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 Society and we are not able to determine whether any adjustments might be necessary to revenues, assets, liabilities or net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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 opinion.

*Information Other than the Financial Statements and Auditors' Report Thereon*

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' 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 when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

*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 Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of Regina Humane Society Inc. have been prepared by the Society's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, Virtus Group LLP, and their report is presented separately.



Chair of the Audit Committee



Executive Director



**INDEPENDENT AUDITORS' REPORT continued**

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

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

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

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

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

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

March 25, 2019  
Regina, Canada

VIRTUS GROUP LLP  
Chartered Professional Accountants

**REGINA HUMANE SOCIETY INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018**  
(with comparative figures at December 31, 2017)

	<b>ASSETS</b>				<b>Total</b>	<b>Total</b>
	<b>General Operating Fund</b>	<b>Operating Reserve Fund</b>	<b>Tangible Capital Asset Fund</b>	<b>Capital Asset Reserve Fund</b>	<b>2018</b>	<b>2017</b>
<b>Current Assets</b>						
Cash (Note 3)	\$ 855,739	\$ 511,263	\$ -	\$ 1,863,666	\$ 3,230,668	\$ 1,604,366
Accounts Receivable	49,178	-	-	-	49,178	66,630
Prepaid expenses	28,437	-	-	-	28,437	37,178
Due (to) from funds	(200,000)	-	-	200,000	-	-
Inventory	44,644	-	-	-	44,644	36,232
	<u>777,998</u>	<u>511,263</u>	<u>-</u>	<u>2,063,666</u>	<u>3,352,927</u>	<u>1,744,406</u>
<b>Long term Investments (Note 4)</b>	-	367,328	-	-	367,328	468,125
<b>Tangible Capital Assets (Note 5)</b>	-	-	483,253	-	483,253	553,684
	<u>\$ 777,998</u>	<u>\$ 878,591</u>	<u>\$ 483,253</u>	<u>\$ 2,063,666</u>	<u>\$ 4,203,508</u>	<u>\$ 2,766,215</u>
	<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>						
Accounts payable and accruals	\$ 236,255	\$ -	\$ -	\$ -	\$ 236,255	\$ 204,192
Current portion of capital lease (Note 6)	2,200	-	-	-	2,200	2,200
Deferred revenue	-	-	-	300,000	300,000	7,986
	<u>238,455</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>538,455</u>	<u>214,378</u>
Obligation under capital lease (Note 6)	6,269	-	-	-	6,269	8,474
<b>Surplus</b>	<u>533,274</u>	<u>878,591</u>	<u>483,253</u>	<u>1,763,666</u>	<u>3,658,784</u>	<u>2,543,363</u>
	<u>\$ 777,998</u>	<u>\$ 878,591</u>	<u>\$ 483,253</u>	<u>\$ 2,063,666</u>	<u>\$ 4,203,508</u>	<u>\$ 2,766,215</u>

See accompanying notes to the financial statements

Approved on behalf of the board:

**REGINA HUMANE SOCIETY INC.  
STATEMENT OF OPERATIONS  
AS AT DECEMBER 31, 2018**

(with comparative figures for the year ended December 31, 2017)

	<b>2018 Budget (Unaudited)</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>Revenues</b>			
Adoptions and administration	\$ 556,572	\$ 518,447	\$ 547,484
Donations	491,000	477,940	481,034
Education	89,000	85,514	68,578
Estates	188,017	1,397,512	236,656
Fundraising	816,000	742,976	784,496
Kennel	313,000	336,594	313,463
Lost and found	19,500	10,243	15,905
Municipal animal services	1,202,016	1,204,733	1,178,078
Gain on capital assets	-	150	-
	<u>3,675,105</u>	<u>4,774,109</u>	<u>3,625,694</u>

See accompanying notes to the financial statements

**REGINA HUMANE SOCIETY INC.  
STATEMENT OF OPERATIONS  
AS AT DECEMBER 31, 2018**

(with comparative figures for the year ended December 31, 2017)

	<b>2018 Budget (Unaudited)</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>Expenses</b>			
Administration	\$ 250,700	\$ 275,081	\$ 267,592
Amortization	98,000	92,911	97,322
Building - taxes, utilities, insurance	128,000	139,866	130,534
Communication	49,000	43,970	49,643
Development	500	891	485
Education	20,000	5,795	8,049
Fundraising	228,650	258,776	224,412
Interest – capital lease	-	2,428	92
Kennel	136,000	150,455	140,026
Maintenance	24,200	20,907	22,735
Municipal animal services	3,000	1,135	4,822
Vehicle	39,000	48,588	39,253
Veterinary care	189,500	183,919	206,065
Volunteer expenses	1,500	1,583	1,755
Wages and benefits	2,505,444	2,432,383	2,502,220
	<u>3,673,494</u>	<u>3,658,688</u>	<u>3,695,005</u>
<b>Excess of revenues over expenses</b>	<u>\$ 1,611</u>	<u>\$ 1,115,421</u>	<u>\$ (69,311)</u>

See accompanying notes to the financial statements

**REGINA HUMANE SOCIETY INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(with comparative figures for the year ended December 31, 2017)

	General Operating Fund	Operating Reserve Fund	Tangible Capital Asset Fund	Capital Asset Reserve Fund	2018 Total	2017 Total
<b>Balance, beginning of year</b>	\$ 396,427	\$ 878,996	\$ 553,684	\$ 714,256	\$ 2,543,363	\$ 2,612,674
<b>Excess of revenues over expenses</b>	1,199,327	(405)	(92,911)	9,410	1,115,421	(69,311)
<b>Transfer between funds</b>	(1,040,000)	-	-	1,040,000	-	-
<b>Tangible capital asset additions</b>	(22,480)	-	22,480	-	-	-
<b>Balance, end of year</b>	<u>\$533,274</u>	<u>\$ 878,591</u>	<u>\$ 483,253</u>	<u>\$ 1,763,666</u>	<u>\$ 3,658,784</u>	<u>\$ 2,543,363</u>

See accompanying notes to the financial statements.

**REGINA HUMANE SOCIETY INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(with comparative figures for the year ended December 31, 2017)

	2018	2017
<b>Cash provided by (used in) operating activities:</b>		
Excess of revenue over expenses	\$ 1,115,421	\$ (69,311)
Amortization	92,911	97,322
Change in non-cash operating working capital		
Accounts receivable	17,452	(4,099)
Prepaid expenses	8,741	(8,115)
Inventory	(8,412)	(1,594)
Accounts payable	32,063	(24,306)
Deferred revenue	292,014	6,486
	<u>1,550,190</u>	<u>(3,617)</u>
<b>Cash provided by (used in) investing activities:</b>		
Change in long-term investments	100,797	(107,226)
Net purchase of tangible capital assets	(22,480)	(77,819)
	<u>78,317</u>	<u>(185,045)</u>
<b>Cash provided by (used in) financing activities:</b>		
Proceeds from capital lease	-	11,740
Repayment of obligation under capital lease	(2,205)	(1,066)
	<u>(2,205)</u>	<u>10,674</u>
<b>Increase (decrease) in cash</b>	1,626,302	(177,988)
<b>Cash position – beginning of year</b>	1,604,366	1,782,354
<b>Cash position – end of year</b>	<u>\$ 3,230,668</u>	<u>\$1,604,366</u>

See accompanying notes to the financial statements

**REGINA HUMANE SOCIETY INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(with comparative figures for the year ended December 31, 2017)

**1. General**

The Regina Humane Society Inc. (the "Society") was incorporated under the *Non-Profit Corporations Act, 1995* of Saskatchewan. The Society is dedicated to improving the welfare of animals through programs and services in sheltering, education, protection and advocacy.

**2. Summary of significant accounting policies**

The financial statements required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following accounting policies:

**Fund accounting**

The general operating fund reports the assets, liabilities, revenues and expenses related to the day-to-day operations of the Society.

The operating reserve fund is defined as the designated fund set aside by action of the Board of Directors to ensure the stability of the mission, programs, and ongoing operations of the Society. The operating reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, uninsured losses or wind-down of the organization. The operating reserve may also be used for one-time nonrecurring expenses that will build long-term capacity, such as staff development or research and development.

The tangible capital asset fund reports the Society's net investment in tangible capital assets.

The capital asset reserve fund includes funds for the development and construction of a new facility to house the Society's operations.

**REGINA HUMANE SOCIETY INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(with comparative figures for the year ended December 31, 2017)

**2. Significant accounting policies (continued)**

**Inventory**

The inventory of veterinary supplies is recorded at the lower of cost and net realizable value. Cost is determined on the average cost method.

**Tangible capital assets**

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over their estimated useful life of the assets at the following annual rates:

Buildings	2.5%
Computers	33.33%
Equipment	20%
Furniture & fixtures	20%
Capital lease	20%
Landscaping	2.5%
Software	100%
Vehicles	20%

In the year of acquisition, amortization is provided at half of the annual rate.

**Income taxes**

The Society is a registered charity, and as such, no income taxes are payable pursuant to Paragraph 149(1)(f) of the *Income Tax Act*.

**REGINA HUMANE SOCIETY INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(with comparative figures for the year ended December 31, 2017)

**2. Significant accounting policies (continued)**

**Revenue recognition**

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized in the appropriate fund 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. Adoptions, administration, animal protection, education, kennel and lost and found revenues are recognized in the year to which they relate.

Donated labour of volunteers is not reflected in the financial statements as a fair value cannot be reasonably obtained. Small donated goods are not recorded in the financial statements, though contributors may receive an income tax receipt for the item's fair value.

**Financial instruments - recognition and measurement**

Financial assets and financial liabilities are recorded on the statement of financial position when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial instruments are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument. Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial instruments measured at fair value are recognized in excess of revenues over expenses. When impairment has occurred the carrying amount is reduced and such write downs may subsequently be reversed if conditions change.

**REGINA HUMANE SOCIETY INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(with comparative figures for the year ended December 31, 2017)

**3. Cash and cash equivalents**

Cash and cash equivalents include \$511,300 (2017 - \$404,900) held in a guaranteed investment certificate, earning interest at a rate of 1.15% (2017 – 0.90% and 1.05%).

The Society has an authorized line of credit of \$100,000 which bears interest at 5.25% (prime plus 1.3%). At year end, the line of credit was not utilized (2017 - not utilized).

**4. Long term investments**

Long term investments consist of guaranteed investment certificates, earning interest at rates from 0.75% to 1.60% (2017 – 0.75% to 1.35%), with maturities from June 2020 to June 2021 (2017 - June 2019 and June 2020).

**5. Tangible capital assets**

	<b>2018</b>		<b>2017</b>	
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	<b>Net book value</b>
Land	\$ 21,637	\$ -	\$ 21,637	\$ 21,637
Buildings	914,590	676,294	238,296	260,552
Computers	63,271	45,421	17,850	24,119
Equipment	392,146	327,827	64,319	91,554
Furniture & fixtures	40,957	38,797	2,160	2,743
Capital lease	11,740	1,761	9,979	11,153
Landscaping	17,038	14,725	2,313	2,739
Software	73,666	71,632	2,034	4,543
Vehicles	310,237	185,572	124,665	134,644
	<b>\$1,845,282</b>	<b>\$1,362,029</b>	<b>\$483,253</b>	<b>\$553,684</b>

**REGINA HUMANE SOCIETY INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(with comparative figures for the year ended December 31, 2017)

**6. Obligation under capital lease**

Obligation under capital lease to Pitney Bowes in quarterly payments of \$1,072 including interest at 24.07%. Equipment with a net book value of \$9,979 is pledged as security. Due April 2021.

Current portion

	<b>2018</b>	<b>2017</b>
	\$ 8,469	\$ 10,674
	8,469	10,674
	2,200	2,200
	\$ 6,269	\$8,474

The future minimum lease payments under capital lease, together with the balance of the obligation under capital lease are as follows:

2019	\$ 4,600
2020	4,600
2021	2,200
2022	-
Total minimum lease payments	11,400
Less: interest portion	2,931
Balance of the obligation	\$ 8,469

**REGINA HUMANE SOCIETY INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(with comparative figures for the year ended December 31, 2017)

**7. Financial instruments**

The Society's recognized financial instruments consist of cash, accounts receivable, long term investments, accounts payable and accrued liabilities and obligation under capital lease. The fair value of cash, accounts receivable, accounts payable and accrued liabilities, approximate their carrying value given the short-term nature of the amounts. The fair value of the long term and obligation under capital lease approximate their carrying value given the terms of the agreements.

**8. Financial risk management**

The Society has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant risks to which the Society is exposed are:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk on the accounts receivable from its customers, however, does not have a significant exposure to any individual customer or counterpart. The Society incurred insignificant bad debt expense during the past three years and its customers are mainly in the veterinary care industry.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society's exposure to liquidity risk is dependent on the receipt of funds from its operations and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements and are considered adequate to meet the Society's financial obligations.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk is limited to the investments, line of credit and obligation under capital lease. The interest rate risk on the line of credit is variable; therefore, the Society may face increasing interest costs in an increasing interest rate market. The investments and obligation under capital lease have fixed interest rates and therefore, do not expose the Society to additional risk.



**Regina  
Humane  
Society**

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**MORE** than a Shelter

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