

PETSMART CHARITIES OF CANADA
FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022

**PETSMART CHARITIES OF CANADA
TABLE OF CONTENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022**

INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-15

INDEPENDENT AUDITORS' REPORT

To the Members of
PetSmart Charities of Canada

Opinion

We have audited the accompanying financial statements of PetSmart Charities of Canada (the "Organization"), which comprise the statement of financial position as at January 29, 2023, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PetSmart Charities of Canada as at January 29, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

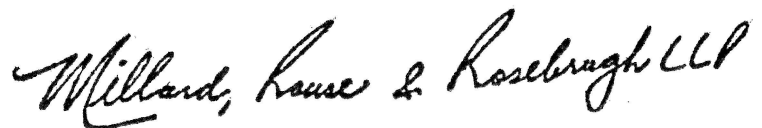
Auditor's Responsibilities for the Audit of the Financial Statements

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 Organization 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 timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



June 29, 2023
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

**PETSMART CHARITIES OF CANADA
STATEMENTS OF FINANCIAL POSITION
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022**

	January 29, 2023	January 30, 2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,025,880	\$ 2,164,873
Investments (Note 4)	4,066,926	4,059,096
Receivable from PetSmart Canada (Note 3C)	1,065,644	404,095
Receivable from PetSmart Charities, Inc. (Note 3C)	-	63
Other Receivables	-	65,335
Other Assets	5,575	5,575
Total Current Assets	<u>7,164,025</u>	<u>6,699,037</u>
NONCURRENT ASSETS		
Property and Equipment, Net (Note 5)	<u>4,207</u>	<u>8,993</u>
Total Noncurrent Assets	<u>4,207</u>	<u>8,993</u>
Total Assets	<u><u>\$ 7,168,232</u></u>	<u><u>\$ 6,708,030</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 135,936	\$ 155,746
Due to PetSmart Canada (Note 3C)	80,124	43,689
Due to PetSmart Charities, Inc. (Note 3C)	<u>37,692</u>	<u>55,108</u>
Total Liabilities	253,752	254,543
FUND BALANCES		
Operating Fund - Unrestricted	<u>6,914,480</u>	<u>6,453,487</u>
Total Fund Balances	<u>6,914,480</u>	<u>6,453,487</u>
Total Liabilities and Fund Balances	<u><u>\$ 7,168,232</u></u>	<u><u>\$ 6,708,030</u></u>

Approved and authorized on behalf of the board:

Signed by Jim Persinger Director

Signed by Malcolm Khan Director

See accompanying Notes to Financial Statements.

PETSMART CHARITIES OF CANADA
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022

		Totals	
	Operating Fund	January 29, 2023	January 30, 2022
REVENUE, PUBLIC SUPPORT, AND GAINS			
Individual Contributions	\$ 5,013,331	\$ 5,013,331	\$ 4,894,238
PetSmart Canada Contributions (Note 3A)	2,467,782	2,467,782	2,189,140
Corporate, Foundations, and Vendor Contributions	164,604	164,604	192,683
Investment Income, Net	59,133	59,133	208,961
Total Revenue, Public Support, and Gains	<u>7,704,850</u>	<u>7,704,850</u>	<u>7,485,022</u>
EXPENSES			
Program Services:			
Animal Welfare Organization Grants (Note 7)	3,955,658	3,955,658	3,436,179
Other Program Expenses (Note 7)	<u>2,953,991</u>	<u>2,953,991</u>	<u>2,603,155</u>
Total Program Services	<u>6,909,649</u>	<u>6,909,649</u>	<u>6,039,334</u>
Supporting Services:			
Fundraising	150,064	150,064	121,183
Management and General	<u>184,144</u>	<u>184,144</u>	<u>170,420</u>
Total Supporting Services	<u>334,208</u>	<u>334,208</u>	<u>291,603</u>
Total Expenses	<u>7,243,857</u>	<u>7,243,857</u>	<u>6,330,937</u>
EXCESS OF REVENUE OVER EXPENSES	<u>460,993</u>	<u>460,993</u>	<u>1,154,085</u>
Fund Balance - Beginning of Year	<u>6,453,487</u>	<u>6,453,487</u>	<u>5,299,402</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 6,914,480</u></u>	<u><u>\$ 6,914,480</u></u>	<u><u>\$ 6,453,487</u></u>

See accompanying Notes to Financial Statements.

PETSMART CHARITIES OF CANADA
STATEMENTS OF CASH FLOWS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of Revenue Over Expenses	\$ 460,993	\$ 1,154,085
Items not Affecting Cash:		
Realized Losses on Investments	-	1,508
Unrealized (Gains) Losses on Investments	27,866	(182,072)
Amortization of Property and Equipment	4,786	3,481
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in:		
Receivable from PetSmart Canada	(661,549)	405,718
Receivable from PetSmart Charities, Inc.	63	18,091
Other Receivables	65,335	(30,335)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(19,810)	14,031
Due to PetSmart Canada	36,435	(36,352)
Due to PetSmart Charities, Inc.	(17,416)	23,413
Net Cash Provided (Used) from Operating Activities	<u>(103,297)</u>	<u>1,371,568</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	21,793	1,808
Purchase of Investments	<u>(57,489)</u>	<u>(2,032,078)</u>
Net Cash Used for Investing Activities	<u>(35,696)</u>	<u>(2,030,270)</u>
CHANGE IN CASH DURING THE YEAR	<u>(138,993)</u>	<u>(658,702)</u>
Cash - Beginning of Year	<u>2,164,873</u>	<u>2,823,575</u>
CASH - END OF YEAR	<u><u>\$ 2,025,880</u></u>	<u><u>\$ 2,164,873</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Contributed Rent, Goods, and Services	<u><u>\$ 2,133,184</u></u>	<u><u>\$ 1,960,672</u></u>

See accompanying Notes to Financial Statements.

**PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022**

NOTE 1 NATURE OF ACTIVITIES

Organization

PetSmart Charities of Canada (Organization) is a registered charity incorporated under letters patent under the Canada Corporations Act in 1987 and is exempt from tax under the provisions of the Income Tax Act (Canada). In fiscal year ended 2014, the Organization completed a legal reorganization to comply with the Canada Not-for-profit Corporations Act. As a result, the Organization established one member, PetSmart Charities, Inc., a related party, as its sole member.

PetSmart Charities of Canada envisions a world where communities unite in support of pets together with their families. Founded in 1999, the Organization's mission is to make the world a better place by investing in community partners that advocate and care for the well-being of pets and all who love them. PetSmart Charities of Canada grants more money to directly help pets in need than any other animal welfare group across Canada.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The Organization has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), which are a part of Canadian generally accepted accounting principles (GAAP). All amounts are stated in Canadian dollars.

Fiscal Year

The Organization's fiscal year ends on the Sunday nearest January 31. The fiscal year ended in 2023 and the fiscal year ending in 2022 comprised of 52 weeks.

Revenue and Expense Recognition

The Organization follows the restricted fund method of accounting for contributions. Unrestricted general donations are recognized as revenue of the Operating Fund in the year received. Restricted contributions are recognized as revenue in the Restricted Fund in the year received. There were no restricted contributions for the fiscal year ended in 2023 and 2022. Unrestricted interest and other investment income are recognized as revenue when earned.

Expenses are recognized when an expenditure or previously recognized asset does not have future economic benefit, there is an appropriate basis of measurement and a reasonable estimate of the amount involved can be made. The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis. Marketing and advertising was applied to program expenses based on the cost of these materials used directly to promote the various programs (see Note 7). Accordingly, certain costs have been allocated among the programs and supporting services benefited based on goods and services received under the management services agreement (see Note 3) and other appropriate allocation methods.

**PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Expense Recognition (Continued)

The Organization earns royalty income from certain campaigns in which intellectual property of the Organization is licensed and recognized as revenue as it accrues in accordance with the terms of the relevant agreement.

Contributed Services and In-Kind Donations

The fair value of contributed materials, services, and store space that would otherwise have to be purchased is recognized as revenue with a corresponding expenditure. (See Note 3).

Cash

Cash includes cash deposits in banks.

Property and Equipment and Related Amortization

Purchased property and equipment is recorded at cost less accumulated amortization. Donated property and equipment is recorded at fair value at the date of contribution to the organization. Maintenance and repairs are charged to operations when incurred.

Betterments or renewals in excess of \$2,500 and which have a useful life greater than one year are capitalized. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations. Amortization is computed on a straight-line basis over the estimated useful life of capital assets ranging from 3 to 5 years.

Financial Instruments

The Organization accounts for its investments in accordance with CPA Canada Accounting Handbook Section 3856, *Financial Instruments*, the Organization reports investments in equity securities that have readily determinable fair values, and all investments in debt securities, at fair value. The fair values are based on quoted market prices.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Canadian generally accepted accounting principles has established a framework for measuring fair value and established a fair value hierarchy based on the inputs used to measure fair value. This framework maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

**PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 – Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors.

Financial Instruments – Recognition and Measurement

Initial Measurement

The Organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

Subsequent Measurement

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), *except for equity and debt securities which are subsequently measured at fair value*. The financial instruments measured at cost are cash, accounts payable, and accruals and amounts due to and from related parties.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

**PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates and Assumptions

The preparation of the Organization's financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Examples of significant estimates include:

- a) Timing of revenue recognition;
- b) Valuation of in-kind contributions;
- c) Estimated useful life of property and equipment;
- d) Asset impairment test.

NOTE 3 TRANSACTIONS WITH PETSMART CANADA AND PETSMART CHARITIES, INC.

A. Revenue and Contributions

The Organization is highly dependent upon the viability of PETM Canada Corporation ("PetSmart Canada") as this is the primary source of donated revenue received in the stores from customers and from PetSmart Canada employees included in individual contributions as well as in-kind contributions from PetSmart Canada noted below.

The following revenue amounts were received from PetSmart Canada and are included in total revenue in the accompanying statements of operations and changes in net assets:

	January 29, 2023	January 30, 2022
Contributed Rent, Management Personnel, Office Space, and Other Goods and Services	\$ 1,738,378	\$ 1,640,887
Contributed Product and Supplies	227,642	189,966
Contributed Advertising	56,255	2,136
Royalty Income	429,219	346,151
Other Donations	16,288	10,000
Total	<u>\$ 2,467,782</u>	<u>\$ 2,189,140</u>

PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022

NOTE 3 TRANSACTIONS WITH PETSMART CANADA AND PETSMART CHARITIES, INC.
(CONTINUED)

A. Revenue and Contributions (Continued)

Contributed rent, other goods and services, supplies, office space, management personnel and utilities for pet adoption centers were received from PetSmart Canada contributions have been allocated in the accompanying statements of operations and changes in net assets based on the type of support received from PetSmart Canada:

	January 29, 2023	January 30, 2022
Other Program Expenses	\$ 1,704,900	\$ 1,607,559
Fundraising	8,777	9,271
Management and Administration	24,701	24,057
Total	<u>\$ 1,738,378</u>	<u>\$ 1,640,887</u>

Royalty income is generated on specific campaigns where the Organization receives a percentage of the purchase price on selected merchandise items sold in PetSmart Canada stores that bear its trademark during a certain timeframe. These transactions occurred at rates as mutually agreed and were recorded at fair market value.

In fiscal year ended 2013, the Organization entered into a license agreement with PetSmart Canada for the usage of its pin pad system. The transaction was measured at the exchange amount paid by the Organization, which is recorded in the license agreement, net on the statement of financial position. This asset is carried at cost, net of any related amortization. The asset is fully amortized.

B. Management Services

During the current fiscal year, the Organization entered into a management services agreement with PetSmart Canada to cost-effectively outsource certain business and administrative management services. The fees paid to PetSmart Canada are capped annually and the value of contributed rent, other goods and services, supplies, office space, utilities, and management personnel received by the Organization under the agreement exceeds the payments made to PetSmart Canada.

These services were measured at the exchange value of the outsourced services and allocated based on goods and services received under the management services agreement:

	January 29, 2023	January 30, 2022
Other Program Expenses	\$ 385,432	\$ 399,074
Fundraising	1,984	2,320
Management and Administration	5,584	6,003
Total	<u>\$ 393,000</u>	<u>\$ 407,397</u>

**PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022**

**NOTE 3 TRANSACTIONS WITH PETSMART CANADA AND PETSMART CHARITIES, INC.
(CONTINUED)**

B. Management Services (Continued)

During the current fiscal year, the Organization entered into a management services agreement with PetSmart Charities, Inc., a U.S. charitable organization related through common management. The agreement documents prior practice whereby PetSmart Charities, Inc. provided certain management services at cost to the Organization. The Organization recorded management fees of \$124,000 and \$119,000, respectively, for the years ended January 29, 2023 and January 30, 2022 to PetSmart Charities, Inc. Revenue and expense transactions occurred at mutually agreed rates and were recorded at the respective exchange amounts throughout the year. Payables and receivables were measured at cost, determined using their undiscounted cash flows. No differences resulted from these transactions.

C. Due to/from PetSmart Canada and PetSmart Charities, Inc.

Receivables from PetSmart Canada of \$1,065,644 and \$404,095 at January 29, 2023 and January 30, 2022, respectively, are unsecured, noninterest bearing, currently due, and represent in-store donations and PetSmart Canada employee contributions that have not yet been remitted in cash to the Organization.

Receivables from PetSmart Charities, Inc. of \$-0- and \$63 at January 29, 2023 and January 30, 2022, respectively, represent employee donations and sponsorships, respectively, received by PetSmart Charities, Inc. on behalf of the Organization.

The amounts payable to PetSmart Canada and PetSmart Charities, Inc. are unsecured, noninterest bearing and recorded as current. Amounts payable to PetSmart Canada and PetSmart Charities, Inc. are generally remitted one month in arrears.

NOTE 4 INVESTMENTS

Investments consists of:

	January 29, 2023	January 30, 2022
Bonds and Notes	\$ 2,380,945	\$ 2,384,822
Equities	1,676,165	1,661,347
Investments Subtotal	4,057,110	4,046,169
Money Market Fund	9,816	12,927
Total Investments	<u>\$ 4,066,926</u>	<u>\$ 4,059,096</u>

PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022

NOTE 4 INVESTMENTS (CONTINUED)

Investment income consists of:

	January 29, 2023	January 30, 2022
Unrealized Gain (Loss)	\$ (27,866)	\$ 182,072
Realized Gain (Loss)	-	(1,508)
Interest and Dividend Income	127,434	58,505
Investment Fees	(40,435)	(30,108)
Total Investments Income	<u>\$ 59,133</u>	<u>\$ 208,961</u>

Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect amounts reported in the accompanying financial statements.

The following tables summarize the valuation of the Organization's financial instruments by the categories described in Note 2 as of January 29, 2023:

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
Investments:					
Money Market Fund	\$ -	\$ -	\$ -	\$ 9,816	\$ 9,816
Bonds and Notes	-	2,380,945	-	-	2,380,945
Equities	1,676,165	-	-	-	1,676,165
Total Investments	<u>\$ 1,676,165</u>	<u>\$ 2,380,945</u>	<u>\$ -</u>	<u>\$ 9,816</u>	<u>\$ 4,066,926</u>

The following tables summarize the valuation of the Organization's financial instruments by the categories described in Note 2 as of January 30, 2022:

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
Investments:					
Money Market Fund	\$ -	\$ -	\$ -	\$ 12,927	\$ 12,927
Bonds and Notes	-	2,384,822	-	-	2,384,822
Equities	1,661,347	-	-	-	1,661,347
Total Investments	<u>\$ 1,661,347</u>	<u>\$ 2,384,822</u>	<u>\$ -</u>	<u>\$ 12,927</u>	<u>\$ 4,059,096</u>

PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of:

	January 29, 2023	January 30, 2022
Cost or Donated Value:		
Store Fixtures	\$ 33,713	\$ 33,713
Less Accumulated Amortization	(29,506)	(24,720)
Property and Equipment, Net	<u>\$ 4,207</u>	<u>\$ 8,993</u>

Amortization expense charged to operations was \$4,786 and \$3,481 for the years ended January 29, 2023 and January 30, 2022, respectively.

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Organization makes commitments to certain charitable organizations for future grants, which are contingent future installments of a current grant. The grants are contingent upon the continued fulfillment of the original conditions in the grant request. The Organization has approximately \$541,000 and \$515,000 of commitments for future contingent grants at January 29, 2023 and January 30, 2022, respectively.

PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022

NOTE 7 PROGRAM SERVICES

The Organization disbursed funds through the following animal welfare organizations grants and other program expenses:

	January 29, 2023	January 30, 2022
Animal Welfare Organization Grants:		
Adoption Preparation	\$ 650,000	\$ 400,000
Access to Veterinary Care	1,882,100	1,515,000
Adoption Rewards	281,652	305,527
Adoption Event Grants	90,750	57,750
Preserving Families	565,000	560,000
Transport	150,000	150,000
Animal Assisted Therapy	-	140,000
Pet Food Insecurities	150,000	150,000
Other	205,000	162,500
Return of Prior Year Grants	(18,844)	(4,598)
Total	<u>\$ 3,955,658</u>	<u>\$ 3,436,179</u>
Other Program Expenses:		
In-Kind PetSmart Canada Admin Service and Other Grants	\$ 2,096,893	\$ 1,924,500
Admin Service Agreement Management Fee	385,432	399,074
Management Fee	83,625	79,945
Marketing and Advertising	310,966	192,569
Travel	35,688	-
Other	41,387	7,067
Total	<u>\$ 2,953,991</u>	<u>\$ 2,603,155</u>

Included in the table above are \$201,000 and \$200,000 of animal welfare grants awarded to board member affiliated organizations for the years ended January 29, 2023 and January 30, 2022, respectively.

**PETSMART CHARITIES OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JANUARY 29, 2023 AND JANUARY 30, 2022**

NOTE 8 RISKS AND UNCERTAINTIES

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its operations and financial results due to the impact on contributions traditionally received from customers in PetSmart stores, adoption programs, and cancellation of events. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The Organization's financial statements do not include adjustments to fair value that have resulted from these declines. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 9 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 29, 2023, the date which the financial statements were available to be issued.