

TORONTO WILDLIFE CENTRE

Financial Statements

December 31, 2020

TORONTO WILDLIFE CENTRE

Financial Statements
For the year ended December 31, 2020

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Independent Auditors' Report

To the Directors of Toronto Wildlife Centre

Qualified Opinion

We have audited the financial statements of **Toronto Wildlife Centre**, which comprise the statement of financial position as at December 31, 2020, and the statements of operations, 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 our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2020, 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 Qualified Opinion

The Toronto Wildlife Centre, in common with many not-for-profit organizations, derives revenue from various sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues was limited to the amounts recorded in the records of The Toronto Wildlife Centre and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets, and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 qualified 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.

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause 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.

Fruitman Kates LLP

Toronto, Canada
June 22, 2021

Chartered Professional Accountants
Licensed Public Accountants


TORONTO WILDLIFE CENTRE

Statement of Financial Position As at December 31, 2020

	2020	2019
Assets		
Current		
Cash	\$ 528,427	\$ 323,294
Short term investments	900,260	1,001,127
Accounts receivable (note 2)	291,613	235,203
Prepaid expenses and sundry assets	4,427	3,249
	1,724,727	1,562,873
Capital assets (note 3)	1,186,066	921,945
	\$ 2,910,793	\$ 2,484,818
 Liabilities and Net Deficiency		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 394,762	\$ 348,537
Government remittances payable	37,362	15,340
Current portion of deferred contributions	169,825	156,620
Advances from related party	-	12,292
	601,949	532,789
Long-term		
Deferred contributions (note 4)	3,066,402	2,734,531
	3,668,351	3,267,320
Net Deficiency	(757,558)	(782,502)
	\$ 2,910,793	\$ 2,484,818

Approved on behalf of the board

 Director

 Director

TORONTO WILDLIFE CENTRE

Statement of Operations For the year ended December 31, 2020

	2020	2019
Revenues		
Donations - individuals	\$ 1,750,126	\$ 1,609,664
Donations - foundations	448,571	367,389
Donations - in kind	249,062	167,939
Government grants and contracts	206,952	97,800
Government assistance	116,929	-
Donations - corporations	95,610	60,383
Special events	46,616	164,703
Interest and other	20,670	3,397
Merchandise sales	17,004	42,632
	2,951,540	2,513,907
Expenditures		
Wildlife rehabilitation	880,407	735,494
Fundraising	360,390	423,799
Education and outreach	325,612	286,350
Administration	296,427	259,474
Veterinary hospital	241,476	232,882
Facility and operations	221,625	203,841
Wildlife rescue and release	187,029	205,605
New centre planning and operations	162,221	153,916
New centre capital campaign	125,353	133,359
Volunteer co-ordination	89,325	73,651
Amortization	36,731	7,911
	2,926,596	2,716,282
Excess (deficiency) of revenues over expenditures	\$ 24,944	\$ (202,375)

TORONTO WILDLIFE CENTRE

Statement of Changes in Net Assets
For the year ended December 31, 2020

	2020	2019
Net Deficiency, beginning of year	\$ (782,502)	\$ (580,127)
Excess (deficiency) of revenues over expenditures	24,944	(202,375)
Net Deficiency, end of year	\$ (757,558)	\$ (782,502)

TORONTO WILDLIFE CENTRE

Statement of Cash Flows For the year ended December 31, 2020

	2020	2019
Cash flows from (used in):		
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 24,944	\$ (202,375)
Adjustments for		
Amortization of capital assets	36,731	7,911
Deferred contributions recognized as revenue	(204,998)	(47,925)
	(143,323)	(242,389)
Change in non-cash working capital items		
Short term investments	100,867	(1,001,127)
Accounts receivable	(56,410)	(100,806)
Prepaid expenses and sundry assets	(1,178)	(3,249)
Accounts payable and accrued liabilities	46,225	117,462
Deferred contributions	550,074	1,234,207
Government remittances payable	22,022	(3,213)
	518,277	885
Investing activity		
Capital assets	(300,852)	(138,715)
Financing activity		
Advances from related party	(12,292)	11,083
Increase (decrease) in cash	205,133	(126,747)
Cash, beginning of year	323,294	450,041
Cash, end of year	\$ 528,427	\$ 323,294

TORONTO WILDLIFE CENTRE

Notes to Financial Statements
For the year ended December 31, 2020

General

Toronto Wildlife Centre (the "Centre") is a registered charity established with the following objectives:

Wildlife rehabilitation: To provide high quality medical treatment and care for sick, injured and orphaned wildlife, and prepare them for release back into the wild;

Public education: To teach the public about wildlife issues and provide advice regarding wildlife concerns.

Pursuant to the Income Tax Act (Canada), the Centre is classified as a not-for-profit organization and therefore, is not subject to income tax. The Centre's Charitable Registration Number is 14114 6290 RR0001.

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Centre follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year when they are received or become receivable, are measurable and collectibility is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred and collectibility is reasonably assured.

Contributed depreciable capital assets are recorded at fair value and revenue is recognized equal to the contributed capital asset's respective amortization expense.

The Centre records revenue from the sale of goods and provision of services when the goods are shipped and services are provided and collectibility is reasonably assured.

Government assistance related to current revenues and expenses is included in the determination of net income if there is reasonable assurance of collection and it can be reasonably concluded that the Company will meet the criteria required to qualify for the assistance.

TORONTO WILDLIFE CENTRE

Notes to Financial Statements
For the year ended December 31, 2020

1. Significant accounting policies (continued)

(b) Short term investments

Short term investments comprise guaranteed investment certificates with original maturities of one year and less.

(c) Contributed materials and services

Contributed materials and services, other than volunteer time, are recognized in the financial statements when the materials or services have been provided and fair value can be reasonably estimated. Volunteers contribute their time to the ongoing programs of the Centre. Because of the difficulty of determining their fair value, volunteer time is not recognized in the financial statements.

(d) Capital assets

Capital assets are recorded at cost. The Centre provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Fences	10%
Portable buildings	30%
Equipment	20%
Veterinary equipment	20%
Computer equipment	50%
Vehicles	20%

(e) Impairment of long-lived assets

The Centre tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

TORONTO WILDLIFE CENTRE

Notes to Financial Statements
For the year ended December 31, 2020

1. Significant accounting policies (continued)

(f) Financial instruments

Measurement of financial instruments

The Centre initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess (deficiency) of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenues over expenditures.

(g) Allocated expenses

The Centre allocates personnel expenses to each expense category based on management's estimate of the time and amount spent on each function.

TORONTO WILDLIFE CENTRE

Notes to Financial Statements
For the year ended December 31, 2020

1. Significant accounting policies (continued)

(h) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Accounts receivable

Included in accounts receivable are government remittances receivable of \$35,048 (2019 - \$35,924) and government assistance of \$94,389 (2019 - Nil).

3. Capital assets

			2020			2019
	Cost	Accumulated amortization	Net book value	Net book value		Net book value
New centre development	\$ 911,447	\$ -	\$ 911,447	\$	891,571	
Fences	143,491	7,175	136,316		-	
Portable buildings	63,794	9,569	54,225		-	
Equipment	66,881	16,443	50,438		3,028	
Veterinary equipment	234,185	208,092	26,093		20,121	
Computer equipment	32,342	28,228	4,114		2,321	
Vehicles	34,330	30,897	3,433		4,904	
	\$ 1,486,470	\$ 300,404	\$ 1,186,066	\$	921,945	

The Centre is in the process of developing a new centre, which will be located on leased land that has been committed to the Centre. New centre development costs are comprised of architect fees, consulting fees, site investigations, permit applications and construction costs.

TORONTO WILDLIFE CENTRE

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4. Deferred contributions

	2020	2019
Deferred contributions	\$ 3,236,227	\$ 2,891,151
Less current portion	169,825	156,620
Due beyond one year	\$ 3,066,402	\$ 2,734,531

	Balance, beginning of year	Received	Recognized	Balance, end of year
New centre development	\$ 2,756,452	\$ 500,074	\$ (162,693)	\$ 3,093,833
Wildlife kitchen	105,600	-	(24,485)	81,115
X-ray machine	14,099	-	(2,820)	11,279
Other	-	50,000	-	50,000
Education initiative	15,000	-	(15,000)	-
	\$ 2,891,151	\$ 550,074	\$ (204,998)	\$ 3,236,227

5. Financial instruments

It is management's opinion that the Centre is not exposed to any significant credit, liquidity, interest rate or market risks.

6. Other information

During the year, the World Health Organization characterized the outbreak of COVID-19 as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact, the length and severity that these developments will have on the financial results and condition of the Centre in future periods.