

TORONTO WILDLIFE CENTRE

Financial Statements

December 31, 2016

TORONTO WILDLIFE CENTRE

Financial Statements
Year ended December 31, 2016

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Independent Auditors' Report

To the Directors of Toronto Wildlife Centre

We have audited the accompanying financial statements of **Toronto Wildlife Centre**, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Toronto Wildlife Centre's preparation and fair presentation of the financial statements 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 Toronto Wildlife Centre's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditors' Report, continued

Basis for Qualified Opinion

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 Toronto Wildlife Centre and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Toronto Wildlife Centre as at December 31, 2016, 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.

Toronto, Canada
August 15, 2017

Fruitman Kates LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto Wildlife Centre

Statement of Financial Position As at December 31, 2016

	2016	2015
Assets		
Current		
Cash	\$ 127,678	\$ 200,594
Accounts receivable (Note 2)	157,232	185,945
	284,910	386,539
Capital assets (Note 3)	682,782	649,679
	\$ 967,692	\$ 1,036,218
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 158,440	\$ 228,582
Deferred contributions (Note 4)	27,537	34,421
Government remittances payable	31,750	21,677
Advances from related party (Note 5)	99,230	-
	316,957	284,680
Commitment (Note 6)		
Net Assets	650,735	751,538
	\$ 967,692	\$ 1,036,218

Approved on behalf of the board

_____ Director

_____ Director

See accompanying notes to the financial statements

Toronto Wildlife Centre

Statement of Operations For the year ended December 31, 2016

	General Fund 2016	New Centre Fund 2016	Total 2016	Total 2015
Revenue				
Donations - individuals	\$ 1,125,987	\$ -	\$ 1,125,987	\$ 1,349,995
Donations - foundations	62,511	338,333	400,844	187,064
Municipal contracts and other government revenue	122,644	69,743	192,387	74,568
Special events and projects	119,402	-	119,402	57,003
Donations - corporations	62,931	-	62,931	55,835
Donations - in kind	47,844	-	47,844	73,759
Sales	25,073	-	25,073	13,630
Contributed services	-	17,666	17,666	443,379
	1,566,392	425,742	1,992,134	2,255,233
Expenditures				
Wildlife rehabilitation	554,670	-	554,670	525,150
New Centre planning	-	307,461	307,461	310,854
Education and outreach	241,268	-	241,268	181,195
Fundraising	229,401	-	229,401	220,943
Facility and operations	170,236	-	170,236	229,053
Wildlife rescue and release	146,283	-	146,283	123,193
Veterinary hospital	131,929	-	131,929	114,988
Administration	116,971	-	116,971	71,471
New Centre capital campaign	-	103,579	103,579	184,439
Volunteer co-ordination	65,556	-	65,556	36,163
Amortization	14,790	-	14,790	18,882
Interest and bank charges	10,793	-	10,793	571
	1,681,897	411,040	2,092,937	2,016,902
Excess (deficiency) of revenue over expenditures	\$ (115,505)	\$ 14,702	\$ (100,803)	\$ 238,331

See accompanying notes to the financial statements

Toronto Wildlife Centre

Statement of Changes in Net Assets For the year ended December 31, 2016

	General Fund 2016	New Centre Fund 2016	Total 2016	Total 2015
Balance, beginning of year	\$ 239,335	\$ 512,203	\$ 751,538	\$ 513,207
Excess (deficiency) of revenue over expenditures	(115,505)	14,702	(100,803)	238,331
Interfund transfers (Note 7)	(98,743)	98,743	-	-
Balance, end of year	\$ 25,087	\$ 625,648	\$ 650,735	\$ 751,538

See accompanying notes to the financial statements

Toronto Wildlife Centre

Statement of Cash Flows For the year ended December 31, 2016

	2016	2015
Cash flows from (used in):		
Operating activities		
Excess of revenue over expenditures	\$ (100,803)	\$ 238,331
Adjustments for		
Amortization	14,790	18,882
Contributed services	(17,666)	(443,379)
Deferred contributions	(6,884)	(8,605)
	(9,760)	(433,102)
	(110,563)	(194,771)
Change in non-cash working capital items		
Accounts receivable	28,713	(31,744)
Accounts payable and accrued liabilities	(70,143)	149,408
Government remittances payable	10,074	9,587
	(141,919)	(67,520)
Investing activities		
Capital assets	(30,227)	(39,271)
Financing activities		
Advances from related party	99,230	-
Increase (decrease) in cash	(72,916)	(106,791)
Cash, beginning of year	200,594	307,385
Cash, end of year	\$ 127,678	\$ 200,594

See accompanying notes to the financial statements

Toronto Wildlife Centre

Notes to Financial Statements
For the year ended December 31, 2016

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 policies are detailed as follows:

(a) Fund accounting

The Centre follows the restricted fund method of accounting for contributions to the New Centre Fund.

i) General Fund

This is an unrestricted fund, which accounts for the Centre's general operating activities related to providing wildlife rehabilitation services, educating the public, fundraising and administrative activities.

ii) New Centre Fund

This is an internally restricted fund, which represents activities related to the development of the New Centre, which include the following:

- Contributions specifically for New Centre costs
- New Centre development costs
- Allocation of administrative costs related to the New Centre

(b) Revenue recognition

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

Toronto Wildlife Centre

Notes to Financial Statements
For the year ended December 31, 2016

1. Significant accounting policies, continued

(b) Revenue recognition, continued

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.

(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:

Veterinary equipment	20%
Leasehold improvements	20%
Computer equipment	30-50%

New Centre development costs are not being amortized since the New Centre is still under development. Once the New Centre is ready for use, the costs will be amortized at a rate designed to amortize the cost of the asset over its useful life.

(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, 2016

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 at amortized cost.

Financial assets recorded at amortized cost include cash and accounts receivable.

Financial liabilities recorded at amortized cost include accounts payable and accrued liabilities and advances from related party.

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 of revenue 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 of revenue over expenditures.

(g) Allocation of expenses

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

(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 expenditures during the year. Actual results could differ from those estimates.

2. Accounts receivable

Included in accounts receivable are government remittances receivable of \$37,147 (2015 - \$48,632).

Toronto Wildlife Centre

Notes to Financial Statements
For the year ended December 31, 2016

3. Capital assets

	2016		
	Cost	Accumulated Amortization	Net Book Value
New Centre development costs	\$ 633,833	\$ -	\$ 633,833
Veterinary equipment	225,304	190,654	34,650
Vehicles	34,330	20,031	14,299
Leasehold improvements	77,774	77,774	-
Computer equipment	25,311	25,311	-
	\$ 996,552	\$ 313,770	\$ 682,782

	2015		
	Cost	Accumulated Amortization	Net Book Value
New Centre development costs	\$ 585,941	\$ -	\$ 585,941
Veterinary equipment	225,303	181,992	43,311
Vehicles	34,330	13,903	20,427
Leasehold improvements	77,774	77,774	-
Computer equipment	25,311	25,311	-
	\$ 948,659	\$ 298,980	\$ 649,679

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 planning costs that include architect fees, site investigations and permit applications. During the year, the Centre capitalized \$17,666 (2015 - \$443,379) of contributed services to New Centre development costs.

4. Deferred contributions

	2016		2015	
Deferred contributions, beginning of year		\$ 34,421		\$ 43,026
Recognized as revenue		(6,884)		(8,605)
Deferred contributions, end of year		\$ 27,537		\$ 34,421

Toronto Wildlife Centre

Notes to Financial Statements
For the year ended December 31, 2016

5. Advances from related party

The advances from the Executive Director are unsecured and non-interest bearing with no fixed terms of repayment.

6. Commitment

The Centre is committed to a lease on its premises, which expires in January 2018. The approximate annual future lease payments are as follows:

2017	\$	69,666
2018		5,811
		<hr/>
	\$	75,477

7. Interfund transfers

During the year, \$98,743 (2015 - \$365,776) was transferred from the General Fund to the New Centre Fund to help fund New Centre expenditures. These transfers have been approved by the Board of Directors.

8. Financial instruments

It is management's opinion that the Centre is not exposed to significant credit or interest rate risk.