TORONTO WILDLIFE CENTRE

Financial Statements
December 31, 2017

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Financial Statements
For the year ended December 31, 2017

Contents

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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, 2017, 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 auditors consider internal control relevant to the organization'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 the organization'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 audit opinion.

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.

Independent Auditors' Report (continued)

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, the financial statements present fairly, in all material respects, the financial position of Toronto Wildlife Centre as at December 31, 2017, 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.

Fruitman Kates LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
October 10, 2018

TORONTO WILDLIFE CENTRE

Statement of Financial Position
As at December 31, 2017

	2017	2016
Assets		
Current		
Cash	$ 235,288	$ 127,678
Accounts receivable (note 3)	150,898	157,232
	386,186	284,910
Capital assets (note 4)	742,553	682,782
	$ 1,128,739	**$ 967,692**
Liabilities and Net Deficiency		
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 217,850	$ 158,440
Government remittances payable	11,642	31,750
Advances from related party (note 5)	105,489	99,230
Deferred contributions (note 6)	1,374,009	986,107
	1,708,990	1,275,527
Commitment (note 7)		
Net Deficiency	(580,251)	(307,835)
	$ 1,128,739	**$ 967,692**

Approved on behalf of the board

____________________________ Director

____________________________ Director

TORONTO WILDLIFE CENTRE

Statement of Operations
For the year ended December 31, 2017

	2017	2016
Revenues		
Donations - individuals	$ 1,220,058	$ 973,065
Donations - foundations	343,024	62,511
Special events	155,758	119,402
Donations - in kind	112,420	200,762
Municipal contracts	85,291	122,644
Donations - corporations	77,031	62,931
Merchandise sales	27,221	25,077
	2,020,803	1,566,392
Expenditures		
Wildlife rehabilitation	639,510	554,670
Fundraising	309,851	229,401
Facility and operations	266,778	170,236
New centre planning and operations	254,405	307,461
Education and outreach	225,852	241,269
Veterinary hospital	171,948	131,929
Wildlife rescue and release	157,368	146,283
Administration	133,825	116,971
Volunteer co-ordination	80,173	65,556
New centre capital campaign	38,104	103,579
Amortization	11,219	14,790
Interest and bank charges	4,186	10,792
	2,293,219	2,092,937
Deficiency of revenues over expenditures	**$ (272,416)**	**$ (526,545)**

TORONTO WILDLIFE CENTRE

Statement of Changes in Net Assets
For the year ended December 31, 2017

	2017	2016
Net Assets (deficiency), beginning of year	$ (307,835)	$ 218,710
Deficiency of revenues over expenditures	(272,416)	(526,545)
Net Deficiency, end of year	**$ (580,251)**	**$ (307,835)**

See accompanying notes to the financial statements

TORONTO WILDLIFE CENTRE

Statement of Cash Flows
For the year ended December 31, 2017

	2017	2016
Cash flows from (used in):		
Operating activities		
Deficiency of revenues over expenditures	$ (272,416)	$ (526,545)
Adjustments for		
Amortization of capital assets	11,219	14,790
Deferred contributions	393,409	425,742
Amortization of deferred contributions	(5,507)	(6,884)
	126,705	(92,897)
Change in non-cash working capital items		
Accounts receivable	6,334	28,713
Accounts payable and accrued liabilities	59,410	(70,143)
Government remittances payable	(20,108)	10,074
	172,341	(124,253)
Investing activity		
Capital assets	(70,990)	(47,893)
Financing activity		
Advances from related party	6,259	99,230
Increase (decrease) in cash	107,610	(72,916)
Cash, beginning of year	127,678	200,594
Cash, end of year	**$ 235,288**	**$ 127,678**

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) 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.

1. Significant accounting policies (continued)

(b) 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.

(c) 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.

(d) 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.

1. Significant accounting policies (continued)

(e) 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 and accounts receivable.

Financial liabilities measured 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 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 deficiency of revenues over expenditures.

(f) 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.

(g) 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. Change in accounting policy

Effective January 1, 2017, the Centre changed its accounting policy for new centre contributions to record them using the deferral method. Previously, new centre contributions were recorded using the restricted fund method, where contributions restricted for use on the new centre were recognized as revenue of the new centre fund in the current period. Under the deferral method, new centre contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.

The Centre has changed the above mentioned accounting policy because management believes that the deferral method provides a more accurate representation of the Centre's operations.

The change in accounting policy has been applied retrospectively. The comparative financial statements have been restated as follows:

(a) Statement of financial position at December 31, 2016:

	As previously reported	Impact of change in accounting policy	As restated
Assets			
Cash	$ 127,678	$ -	$ 127,678
Accounts receivable	157,232	-	157,232
Capital assets	682,782	-	682,782
	$ 967,692	$ -	$ 967,692
Liabilities and Net Deficiency			
Accounts payable and accrued liabilities	$ 158,440	$ -	$ 158,440
Government remittances payable	31,750	-	31,750
Advances from related party	99,230	-	99,230
Deferred contributions	27,537	958,570	986,107
Net assets (deficiency)	650,735	(958,570)	(307,835)
	$ 967,692	$ -	$ 967,692

2. Change in accounting policy (continued)

(b) Statement of Operations and Statement of Changes in Net Assets, for the year ended December 31, 2016:

	As previously reported	Impact of change in accounting policy	As restated
Revenue	$ 1,992,134	$ (425,742)	$ 1,566,392
Expenditures	(2,092,937)	-	(2,092,937)
Deficiency of revenues over expenditures	(100,803)	(425,742)	(526,545)
Net Assets, beginning of year	751,538	(532,828)	218,710
Net Assets (deficiency), end of year	$ 650,735	$ (958,570)	$ (307,835)

There were no material adjustments required to the presentation in the statement of cash flows presented for the year ended December 31, 2016.

3. Accounts receivable

Included in accounts receivable are government remittances receivable of $24,448 (2016 - $37,147).

4. Capital assets

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
New centre development	$ 704,823	$ -	$ 704,823	$ 633,833
Veterinary equipment	225,303	197,582	27,721	34,650
Vehicles	34,330	24,321	10,009	14,299
Leasehold improvements	77,774	77,774	-	-
Computer equipment	25,311	25,311	-	-
	$ 1,067,541	$ 324,988	$ 742,553	$ 682,782

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, site investigations and permit applications.

5. Advances from related party

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

6. Deferred contributions

	Balance, beginning of year	Received	Recognized	Balance, end of year
New centre development	$ 958,570	$ 460,076	$ (66,667)	$ 1,351,979
X-ray machine	27,537	-	(5,507)	22,030
	$ 986,107	$ 460,076	$ (72,174)	$ 1,374,009

7. Commitment

The Centre is committed to a lease on its premises, which expires in January 2019. The approximate annual future lease payments are as follows:

2018	$ 71,041
2019	5,930
	$ 76,971

8. Financial instruments risks and uncertainties

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

9. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.