TORONTO WILDLIFE CENTRE

Financial Statements
December 31, 2018

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Financial Statements
For the year ended December 31, 2018

Contents

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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, 2018, 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, 2018, and its 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
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 Centre 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 Centre'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 Centre'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 Centre 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 27, 2019

Chartered Professional Accountants
Licensed Public Accountants

TORONTO WILDLIFE CENTRE

Statement of Financial Position
As at December 31, 2018

		2018		2017
Assets				
Current				
Cash	$	450,041	$	235,288
Accounts receivable (note 2)		134,397		150,898
		584,438		386,186
Capital assets (note 3)		791,142		742,553
	$	**1,375,580**	**$**	**1,128,739**
Liabilities and Net Deficiency				
Liabilities				
Current				
Accounts payable and accrued liabilities	$	231,075	$	217,850
Government remittances payable		18,553		11,642
Advances from related party (note 4)		1,209		105,489
		250,837		334,981
Long-term				
Deferred contributions (note 5)		1,704,870		1,374,009
		1,955,707		1,708,990
Commitment (note 6)				
Net Deficiency		(580,127)		(580,251)
	$	**1,375,580**	**$**	**1,128,739**

Approved on behalf of the board

______________________________ Director

______________________________ Director

TORONTO WILDLIFE CENTRE

Statement of Operations
For the year ended December 31, 2018

	2018	2017
Revenues		
Donations - individuals	$ 1,741,570	$ 1,220,058
Donations - foundations	285,410	343,024
Special events	179,070	155,758
Donations - in kind	146,874	112,420
Municipal contracts	71,674	85,291
Donations - corporations	70,824	77,031
Merchandise sales	28,201	27,221
	2,523,623	2,020,803
Expenditures		
Wildlife rehabilitation	820,253	639,510
Fundraising	373,139	309,851
Facility and operations	266,534	266,778
Education and outreach	251,498	225,852
Wildlife rescue and release	173,381	157,368
Administration	165,980	133,825
Veterinary hospital	153,350	171,948
New centre planning and operations	135,329	254,405
New centre capital campaign	97,767	38,104
Volunteer co-ordination	69,949	80,173
Amortization	8,547	11,219
Interest and bank charges	7,772	4,186
	2,523,499	2,293,219
Excess (deficiency) of revenues over expenditures	**$ 124**	**$ (272,416)**

TORONTO WILDLIFE CENTRE

Statement of Changes in Net Assets
For the year ended December 31, 2018

		2018		2017
Net Deficiency, beginning of year	$	(580,251)	$	(307,835)
Excess (deficiency) of revenues over expenditures		124		(272,416)
Net Deficiency, end of year	**$**	**(580,127)**	**$**	**(580,251)**

TORONTO WILDLIFE CENTRE

Statement of Cash Flows
For the year ended December 31, 2018

	2018	2017
Cash flows from (used in):		
Operating activities		
Excess (deficiency) of revenues over expenditures	$ 124	$ (272,416)
Adjustments for		
Amortization of capital assets	8,547	11,219
Deferred contributions recognized as revenue	(71,073)	(72,174)
	(62,402)	(333,371)
Change in non-cash working capital items		
Accounts receivable	16,501	6,334
Accounts payable and accrued liabilities	13,225	59,410
Government remittances payable	6,911	(20,108)
Deferred contributions	401,934	460,076
	376,169	172,341
Investing activity		
Capital assets	(57,136)	(70,990)
Financing activity		
Advances from related party	(104,280)	6,259
Increase in cash	214,753	107,610
Cash, beginning of year	235,288	127,678
Cash, end of year	**$ 450,041**	**$ 235,288**

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.

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%
Vehicles	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.

The Centre subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenues over expenditures in the period incurred.

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 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.

(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 Centre 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

TORONTO WILDLIFE CENTRE

Notes to Financial Statements
For the year ended December 31, 2018

2. Accounts receivable

Included in accounts receivable are government remittances receivable of $26,436 (2017 - $24,448).

3. Capital assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
New centre development	$ 761,959	$ -	$ 761,959	$ 704,823
Veterinary equipment	225,303	203,126	22,177	27,721
Vehicles	34,330	27,324	7,006	10,009
Leasehold improvements	77,774	77,774	-	-
Computer equipment	25,311	25,311	-	-
	$ 1,124,677	$ 333,535	$ 791,142	$ 742,553

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.

4. Advances from related party

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

5. Deferred contributions

	Balance, beginning of year	Received	Recognized	Balance, end of year
New centre development	$ 1,351,979	$ 401,934	$ (66,667)	$ 1,687,246
X-ray machine	22,030	-	(4,406)	17,624
	$ 1,374,009	$ 401,934	$ (71,073)	$ 1,704,870

During the year, a portion of new centre contributions have been recognized in excess (deficiency) of revenues over expenditures as they pertain to the funding of new centre operational costs.

6. Commitment

The Centre is committed to a lease on its premises, which expires in December 2019. The approximate annual future lease payments are $71,060.

7. 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.

8. Comparative figures

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