

TORONTO WILDLIFE CENTRE

Financial Statements

December 31, 2021

TORONTO WILDLIFE CENTRE

Financial Statements
For the year ended December 31, 2021

Contents

| | |
|------------------------------------|--------|
| Independent Auditors' Report | 1 - 2 |
| Statement of Financial Position | 3 |
| Statement of Operations | 4 |
| Statement of Changes in Net Assets | 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements | 7 - 11 |

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, 2021, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2021, 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.

Toronto, Canada
August 18, 2022

Fruitman Kates LLP


Chartered Professional Accountants
Licensed Public Accountants


TORONTO WILDLIFE CENTRE

Statement of Financial Position As at December 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Assets | | |
| Current | | |
| Cash | \$ 2,923,737 | \$ 528,427 |
| Short term investments | 906,119 | 900,260 |
| Accounts receivable (note 2) | 262,772 | 291,613 |
| Prepaid expenses and sundry assets | 4,591 | 4,427 |
| | 4,097,219 | 1,724,727 |
| Capital assets (note 3) | 1,204,409 | 1,186,066 |
| | \$ 5,301,628 | \$ 2,910,793 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 314,513 | \$ 394,762 |
| Government remittances payable | 13,052 | 37,362 |
| Current portion of deferred contributions (note 4) | 40,434 | 169,825 |
| | 367,999 | 601,949 |
| Long-term | | |
| Deferred contributions (note 4) | 3,119,507 | 3,066,402 |
| | 3,487,506 | 3,668,351 |
| Net assets (net deficiency) | 1,814,122 | (757,558) |
| | \$ 5,301,628 | \$ 2,910,793 |

Approved on behalf of the board


 _____ Director


 _____ Director

TORONTO WILDLIFE CENTRE

Statement of Operations For the year ended December 31, 2021

| | 2021 | 2020 |
|---|---------------------|------------------|
| Revenues | | |
| Donations - individuals | \$ 4,373,793 | \$ 1,750,126 |
| Donations - foundations | 366,653 | 448,571 |
| Government assistance (note 5) | 285,810 | 116,929 |
| Donations - in kind | 242,445 | 249,062 |
| Government grants and contracts | 171,523 | 206,952 |
| Donations - corporations | 158,565 | 95,610 |
| Special events | 83,790 | 46,616 |
| Merchandise sales | 17,257 | 17,004 |
| Interest and other | 8,904 | 20,670 |
| | 5,708,740 | 2,951,540 |
| Expenditures | | |
| Wildlife rehabilitation | 970,264 | 880,407 |
| Fundraising | 410,585 | 360,390 |
| Education and outreach | 374,668 | 325,612 |
| Administration | 290,889 | 296,427 |
| Facility and operations | 266,201 | 221,625 |
| Veterinary hospital | 241,353 | 241,476 |
| Wildlife rescue and release | 231,294 | 187,029 |
| New centre planning and operations | 140,845 | 162,221 |
| Volunteer co-ordination | 80,899 | 89,325 |
| New centre capital campaign | 73,425 | 125,353 |
| Amortization | 56,637 | 36,731 |
| | 3,137,060 | 2,926,596 |
| Excess of revenues over expenditures | \$ 2,571,680 | \$ 24,944 |

TORONTO WILDLIFE CENTRE

Statement of Changes in Net Assets
For the year ended December 31, 2021

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Net deficiency, beginning of year | \$ (757,558) | \$ (782,502) |
| Excess of revenues over expenditures | 2,571,680 | 24,944 |
| Net assets (net deficiency), end of year | \$ 1,814,122 | \$ (757,558) |

TORONTO WILDLIFE CENTRE

Statement of Cash Flows For the year ended December 31, 2021

| | 2021 | 2020 |
|--|---------------------|-------------------|
| Cash flows from (used in): | | |
| Operating activities | | |
| Excess of revenues over expenditures | \$ 2,571,680 | \$ 24,944 |
| Adjustments for | | |
| Amortization of capital assets | 56,637 | 36,731 |
| Deferred contributions recognized as revenue | (116,211) | (204,998) |
| | 2,512,106 | (143,323) |
| Change in non-cash working capital items | | |
| Accounts receivable | 28,841 | (56,410) |
| Prepaid expenses and sundry assets | (164) | (1,178) |
| Accounts payable and accrued liabilities | (80,249) | 46,225 |
| Deferred contributions | 39,925 | 550,074 |
| Government remittances payable | (24,310) | 22,022 |
| | 2,476,149 | 417,410 |
| Investing activities | | |
| Short term investments | (5,859) | 100,867 |
| Capital assets | (74,980) | (300,852) |
| | (80,839) | (199,985) |
| Financing activity | | |
| Advances from related party | - | (12,292) |
| | 2,395,310 | 205,133 |
| Increase in cash | | |
| Cash, beginning of year | 528,427 | 323,294 |
| Cash, end of year | \$ 2,923,737 | \$ 528,427 |

TORONTO WILDLIFE CENTRE

Notes to Financial Statements
For the year ended December 31, 2021

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 Centre will meet the criteria required to qualify for the assistance.

TORONTO WILDLIFE CENTRE

Notes to Financial Statements
For the year ended December 31, 2021

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, 2021

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 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 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.

(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.

TORONTO WILDLIFE CENTRE

Notes to Financial Statements
For the year ended December 31, 2021

2. Accounts receivable

Included in accounts receivable are government remittances receivable of \$28,500 (2020 - \$35,000) and government assistance receivable of \$8,300 (2020 - \$94,400).

3. Capital assets

| | | | 2021 | | 2020 | |
|------------------------|---------------------|-----------------------------|---------------------|---------------------|-------------------|-------------------|
| | Cost | Accumulated amortization | Net book value | Net book value | Net book value | Net book value |
| New centre development | \$ 924,518 | \$ - | \$ 924,518 | \$ 911,447 | | |
| Fences | 143,491 | 20,807 | 122,684 | 136,316 | | |
| Portable buildings | 86,069 | 29,178 | 56,891 | 54,225 | | |
| Equipment | 99,588 | 29,801 | 69,787 | 50,438 | | |
| Veterinary equipment | 234,185 | 213,311 | 20,874 | 26,093 | | |
| Computer equipment | 39,268 | 32,016 | 7,252 | 4,114 | | |
| Vehicles | 34,330 | 31,927 | 2,403 | 3,433 | | |
| | \$ 1,561,449 | \$ 357,040 | \$ 1,204,409 | \$ 1,186,066 | | |

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

Notes to Financial Statements
For the year ended December 31, 2021

4. Deferred contributions

| | 2021 | 2020 |
|------------------------|--------------|--------------|
| Deferred contributions | \$ 3,159,941 | \$ 3,236,227 |
| Less current portion | 40,434 | 169,825 |
| | | |
| Due beyond one year | \$ 3,119,507 | \$ 3,066,402 |

| | Balance, beginning of year | Received | Recognized | Balance, end of year |
|------------------------|----------------------------------|-----------|--------------|-------------------------|
| New centre development | \$ 3,093,833 | \$ 39,925 | \$ (58,136) | \$ 3,075,622 |
| Wildlife kitchen | 81,115 | - | (55,819) | 25,296 |
| X-ray machine | 11,279 | - | (2,256) | 9,023 |
| Other | 50,000 | - | - | 50,000 |
| | | | | |
| | \$ 3,236,227 | \$ 39,925 | \$ (116,211) | \$ 3,159,941 |

5. Government assistance

During the year, the Centre received the Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy, programs designed to subsidize employee wages and rental expenses respectively in response to the novel coronavirus ("COVID-19"). An amount of \$285,810 (2020 - \$116,929) has been recognized as government assistance on the statement of operations with respect to these subsidies.

6. Financial instruments

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

7. Other information

In March 2020, 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.