

Financial Statements of

KAWARTHA TURTLE TRAUMA CENTRE

December 31, 2012 and 2011

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INDEPENDENT AUDITORS' REPORT

To the Members of
Kawartha Turtle Trauma Centre

Report on the Financial Statements

We have audited the accompanying financial statements of Kawartha Turtle Trauma Centre, which comprise the statements of financial position as at December 31, 2012 and 2011 and the statements of revenue and expenditure and net assets and cash flows for the years 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 audits. We conducted our audits 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 the entity'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 entity'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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Kawartha Turtle Trauma Centre derives revenues from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to revenue from donations and fundraising, excess of revenue over expenditure, assets and net assets.

Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Kawartha Turtle Trauma Centre as at December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

McCull Turner LLP

Licensed Public Accountants

Peterborough, Ontario
April 14, 2013

KAWARTHA TURTLE TRAUMA CENTRE
STATEMENTS OF FINANCIAL POSITION
December 31, 2012 and 2011

	2012	2011
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	179,034	149,242
Accounts receivable	10,808	3,526
Prepaid expenses	1,741	1,741
	<u>191,583</u>	<u>154,509</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 5)	9,894	2,961
Deferred grant revenue (note 6)	38,975	69,300
	<u>48,869</u>	<u>72,261</u>
NET ASSETS	<u>142,714</u>	<u>82,248</u>
	<u>191,583</u>	<u>154,509</u>

See accompanying notes to the financial statements

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KAWARTHA TURTLE TRAUMA CENTRE
STATEMENTS OF REVENUE AND EXPENDITURE AND NET ASSETS
Years Ended December 31

	2012	2011
	\$	\$
REVENUE		
Donations	94,828	98,713
Fundraising	34,800	22,902
Grants (note 6)	116,753	18,713
Refunds and rebates	5,990	5,160
Investment income	1,888	456
	<u>254,259</u>	<u>145,944</u>
EXPENDITURE		
Wages and benefits	62,025	18,934
Turtle care	58,499	25,627
Occupancy	32,874	26,217
Telephone and utilities	12,741	12,327
Office and general	8,509	2,822
Fundraising	9,441	2,263
Professional fees	5,552	5,733
Outreach	3,676	5,187
Bank charges and interest	476	395
	<u>193,793</u>	<u>99,505</u>
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	60,466	46,439
NET ASSETS - beginning of year	82,248	35,809
NET ASSETS - end of year	<u>142,714</u>	<u>82,248</u>

See accompanying notes to the financial statements

KAWARTHA TURTLE TRAUMA CENTRE
STATEMENTS OF CASH FLOWS
Years Ended December 31

	2012	2011
	\$	\$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	60,466	46,439
Changes in non-cash working capital items:		
Accounts receivable	(7,282)	2,149
Prepaid expenses	-	871
Accounts payable and accrued liabilities	6,933	2,636
Deferred grant revenue	(30,325)	69,300
INCREASE IN CASH FOR THE YEAR	29,792	121,395
CASH POSITION - beginning of year	149,242	27,847
CASH POSITION - end of year	179,034	149,242

See accompanying notes to the financial statements

KAWARTHA TURTLE TRAUMA CENTRE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

1. NATURE OF ENTITY

Kawartha Turtle Trauma Centre (the "Centre") is a non-profit charitable organization whose mission is to provide resources and expertise for emergency and long term care of injured turtles, to promote and collaborate in turtle habitat recovery efforts across Ontario, and to provide educational resources and activities to promote turtle conservation. The organization was incorporated on March 24, 2004 under the Canada Corporations Act as a non-profit organization without share capital.

The Centre is a charitable organization registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

The organization's by-laws expressly prohibit the distribution of any of the earnings to, or for the personal benefit of, the members. Upon the dissolution of the organization any remaining net assets are to be distributed to charitable organizations.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2012, the Centre adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). These are the Centre's first financial statements prepared in accordance with ASNPO and the transitional provisions of Section 1501, First-time Adoption by Not-for-Profit Organizations have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policies note have been applied in preparing the financial statements for the year ended December 31, 2012 and the comparative information for the year ended December 31, 2011.

The Centre issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by CICA Handbook - Accounting. The adoption of ASNPO did not result in any adjustments to the previously reported assets, liabilities, net assets, results of operations and cash flows of the Centre.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of accounting*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) *Revenue recognition*

The Centre follows the deferral method of accounting for contributions.

Restricted contributions, including grants and restricted donations, are recognized as revenue in the year in which the related expenditures are made or the related expenses are incurred.

Unrestricted contributions, including fundraising and unrestricted donations, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

KAWARTHA TURTLE TRAUMA CENTRE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012 and 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue recognition (continued)

Donations of goods and services in-kind are recorded as revenue when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Centre's operations and would otherwise have been purchased. Donations in-kind included in donation revenue during the year amounted to \$11,227 (2011 - \$3,824).

(c) Capital assets

As the organization has revenues under \$500,000, it has elected to expense capital assets in the year of purchase. Capital expenditures for the year amounted to \$15,312 (2011 - nil).

(d) Use of estimates

The preparation of financial statements in accordance with Canadian ASNPO requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingencies at the date of the financial statements and the reported amount of revenue and expenditure during the year. Actual results could differ from those estimates.

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Measurement

Financial assets and liabilities are originally measured at fair value and subsequently measured at amortized cost.

Transaction costs incurred on the recognition of financial assets and liabilities that are subsequently measured at fair value are recognized in income in the period incurred. Transaction costs incurred on the recognition of financial assets and liabilities that are subsequently measured at amortized cost are recognized over the life of the instrument.

The Centre's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

(b) Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Centre's cash requirements.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances of \$1,808 (2011 - \$39).

KAWARTHA TURTLE TRAUMA CENTRE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012 and 2011

6. DEFERRED GRANT REVENUE

Details of the Centre's restricted grant activities are as follows:

	Balance - beginning of year \$	Received during the year \$	Spent during the year \$	Balance - end of year \$
Trillium Grant	25,400	45,300	(50,264)	20,436
TD Friends of the Environment	25,000	2,838	(25,000)	2,838
Fizhentry Family Foundation	5,000	-	(1,113)	3,887
Gordon & Patricia Gray Foundation	7,500	-	(7,500)	-
Helen McCrea-Peacock Foundation	6,400	-	(6,400)	-
Schad Foundation	-	15,000	(3,936)	11,064
TD Training Grant	-	750	-	750
Species at Risk	-	13,904	(13,904)	-
Canada Summer Student	-	6,713	(6,713)	-
TOTAL	69,300	84,505	(114,830)	38,975

In addition to restricted grants, the Centre also received \$1,923 (2011 - \$nil) of unrestricted grant revenue in the year.

7. COMMITMENTS

The Centre has entered into a long term lease agreement for the rental of its hospital facility at 724 Erskine Avenue in Peterborough, Ontario. The remaining annual commitment under the terms of the lease are as follows:

	\$
2013	23,572
2014	7,857

8. RELATED PARTY TRANSACTIONS

The Centre entered into an agreement to rent space for its educational centre from two of the Centre's directors for the period of May 2012 to February 2013. The space was provided rent-free for the period of May to August and was rented for \$700 per month from September to December. Subsequent to year-end, the agreement was not renewed.