

Financial Statements of

KAWARTHA TURTLE TRAUMA CENTRE
(operating as Ontario Turtle Conservation Centre)

December 31, 2017

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Independent auditor's report

To the Members of Kawartha Turtle Trauma Centre

We have audited the accompanying financial statements of Kawartha Turtle Trauma Centre, which comprise the statement of financial position as at December 31, 2017, and the statements of changes in fund balances, revenue and expenditure 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.

Auditor's 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 auditor's 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 qualified audit opinion.

Basis for qualified opinion

In common with many not-for-profit organizations, Kawartha Turtle Trauma Centre derives part of its revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Kawartha Turtle Trauma Centre. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, fundraising revenue, excess of revenue over expenditures, and cash flows from operations for the years ended December 31, 2017 and 2016, current assets as at December 31, 2017 and 2016, and fund balances as at January 1, 2017 and 2016 and December 31, 2017 and 2016. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matter 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, 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.

Other Matter

The financial statements of Kawartha Turtle Trauma Centre for the year ended December 31, 2016 were audited by another auditor who expressed a qualified opinion for the completeness of donation and fundraising revenue on those statements dated May 29, 2017.



Peterborough, Canada
April 25, 2018

Chartered Professional Accountants
Licensed Public Accountants

KAWARTHA TURTLE TRAUMA CENTRE

(operating as Ontario Turtle Conservation Centre)

STATEMENT OF FINANCIAL POSITION

December 31, 2017

	2017 \$	2016 \$
ASSETS		
CURRENT ASSETS		
Cash	597,565	281,428
Accounts receivable	120,229	49,257
Prepaid expenses	5,097	5,097
	722,891	335,782
CAPITAL ASSETS (note 4)	24,620	28,652
	747,511	364,434
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 5)	23,933	36,960
Deferred grant revenue (note 6)	124,082	87,813
	148,015	124,773
FUND BALANCES		
Operating fund	422,376	211,009
Capital asset fund	24,620	28,652
Internally restricted fund	152,500	-
	599,496	239,661
	747,511	364,434

KAWARTHA TURTLE TRAUMA CENTRE

(operating as Ontario Turtle Conservation Centre)

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended December 31, 2017

	2017			2016	
	Operating fund \$	Capital asset fund \$	Internally restricted fund \$	Total \$	Total \$
FUND BALANCES - beginning of year, as previously stated	211,009	-	-	211,009	142,682
Restatement (note 9)	-	28,652	-	28,652	26,976
FUND BALANCES - beginning of year, as restated	211,009	28,652	-	239,661	169,658
Excess of revenue over expenditure (expenditure over revenue) for the year	367,547	(7,712)	-	359,835	70,003
Capital asset purchases funded by operations	(3,680)	3,680	-	-	-
Interfund transfer (note 7)	(152,500)	-	152,500	-	-
FUND BALANCES - end of year	422,376	24,620	152,500	599,496	239,661

See accompanying notes to the financial statements

KAWARTHA TURTLE TRAUMA CENTRE

(operating as Ontario Turtle Conservation Centre)

STATEMENT OF REVENUE AND EXPENDITURE

Year Ended December 31, 2017

	2017	2016
	\$	\$
REVENUE		
Grants (note 6)	445,000	321,144
Donations	421,104	124,920
Fundraising	37,549	30,347
Investment income	1,109	1,050
Other	-	349
	<u>904,762</u>	<u>477,810</u>
EXPENDITURE		
Turtle care	197,038	140,921
Wages and benefits	189,252	118,761
Occupancy	62,486	53,052
Telephone and utilities	33,505	29,588
Professional fees	24,503	12,667
Office and general	18,835	9,010
Outreach	7,539	15,012
Bank charges and interest	3,310	3,018
Fundraising	747	18,614
Amortization	7,712	7,164
	<u>544,927</u>	<u>407,807</u>
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	<u>359,835</u>	<u>70,003</u>

KAWARTHA TURTLE TRAUMA CENTRE

(operating as Ontario Turtle Conservation Centre)

STATEMENT OF CASH FLOWS

Year Ended December 31, 2017

	2017 \$	2016 \$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	359,835	70,003
Add back amortization of capital assets, a non-cash item	7,712	7,164
	367,547	77,167
Changes in non-cash working capital items:		
Accounts receivable	(70,972)	(11,108)
Prepaid expenses	-	718
Accounts payable and accrued liabilities	(13,027)	5,649
Deferred grant revenue	36,269	72,974
	319,817	145,400
INVESTING ACTIVITIES		
Capital asset purchases	(3,680)	(8,840)
INCREASE IN CASH FOR THE YEAR	316,137	136,560
CASH POSITION - beginning of year	281,428	144,868
CASH POSITION - end of year	597,565	281,428

KAWARTHA TURTLE TRAUMA CENTRE

(operating as Ontario Turtle Conservation Centre)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

1. NATURE OF ENTITY

Kawartha Turtle Trauma Centre (the "Centre"), operating as Ontario Turtle Conservation 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 and articles of continuance under the Canada Not-for-Profit Corporations Act were filed on December 3, 2014.

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. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. To facilitate review of the financial statements, the significant accounting policies followed are summarized below:

(a) *Fund accounting*

The Centre follows the restricted fund method of accounting:

- i) The Operating Fund accounts for the organization's daily operating and administrative activities.
- ii) The Capital Asset Fund reports the organization's capital assets, related liabilities, revenue and expenditures.
- iii) The Internally Restricted Fund reports activities of the Strategic Sustainable Fund which currently consists of a bequest received during the year.

(b) *Revenue and expenditure recognition*

Revenue and expenditures are recorded on the accrual basis. The Centre follows the restricted fund method for accounting for contributions.

Externally restricted contributions, are recognized as revenue of the applicable fund in the year in which they are received or receivable, provided ultimate collection is reasonably assured. If there is no applicable fund, these contributions are recognized as revenue in the year in which the related expenditures are incurred.

Unrestricted contributions 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

(operating as Ontario Turtle Conservation Centre)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Revenue and expenditure 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 \$3,500 (2016 - \$3,500).

(c) *Capital assets*

Purchased capital assets are stated at acquisition cost. Contributed capital assets are recorded at fair value at the date of contribution. The organization provides for amortization on the straight-line method of 10 years for furniture and equipment, 3 years for computer equipment, and 5 years for turtle care equipment. Leasehold improvements are amortized straight-line over the term of the lease.

(d) *Use of estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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. The most significant estimate in these financial statements consist of deferred revenue and useful life of capital assets.

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) *Measurement*

The Centre considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Centre accounts for the following as financial instruments:

- cash
- accounts receivable
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the Centre becomes a party to contractual provision of the instrument.

The Centre initially measures its financial assets and financial liabilities at fair value.

The Centre subsequently measures all of its financial assets and financial liabilities at amortized cost.

The Centre removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

KAWARTHA TURTLE TRAUMA CENTRE

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(a) *Measurement* (continued)

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

(b) *Risks*

The Centre is exposed to various risks associated with its financial assets and financial liabilities as described below. Unless otherwise noted, there has been no change in risk exposure from the prior year.

(i) *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 is sufficient for the Centre's cash requirements.

4. CAPITAL ASSETS

The major categories of capital assets and accumulated amortization are as follows:

	December 31, 2017		December 31, 2016	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Turtle care equipment	32,326	16,227	28,646	10,498
Furniture and equipment	9,737	2,545	9,737	1,682
Computer equipment	2,402	2,227	2,402	1,876
Leasehold improvements	3,846	2,692	3,846	1,923
	48,311	23,691	44,631	15,979
Net book value		24,620		28,652

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances of \$1,618 (2016 - \$3,178).

KAWARTHA TURTLE TRAUMA CENTRE

(operating as Ontario Turtle Conservation Centre)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

6. DEFERRED GRANT REVENUE

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

	Balance - beginning of year \$	Received or receivable \$	Spent \$	Balance - end of year \$
Barron Cowan Foundation	-	1,000	(1,000)	-
Biodiversity Education Awareness Network	-	500	(500)	-
Canada Summer Jobs	-	32,715	(32,715)	-
Community Foundation of Greater Peterborough	-	2,000	(2,000)	-
ECHO Foundation	15,000	15,000	(15,145)	14,855
Eco Canada Internship	-	2,500	(2,500)	-
Gordon & Patricia Gray Foundation	1,575	5,000	(1,575)	5,000
Great Lakes Guardian Community Fund	-	20,000	(20,000)	-
Helen McCrea Peacock Foundation	4,000	4,000	(4,000)	4,000
Kenneth M. Molson Foundation	2,200	-	(2,200)	-
Koval Foundation	4,750	75,000	(79,750)	-
Lush Cosmetics Charity Pot	-	25,000	-	25,000
McLean Foundation	18,556	25,000	(43,556)	-
Ministry of Natural Resources	-	145,044	(145,044)	-
Ontario Wildlife Foundation	6,286	-	(6,286)	-
Peterborough Horticulture Society	-	1,100	-	1,100
Quinte Field Naturalists	-	600	(600)	-
Schad Foundation	10,925	50,000	(25,865)	35,060
Species at Risk Stewardship Fund	-	34,310	(34,310)	-
TD Bank Group Corporate	10,540	15,000	(11,927)	13,613
TD Friends of the Environment	2,033	-	(2,033)	-
The Elsa Wild Animal Appeal of Canada	-	7,500	-	7,500
The Eric S. Margolis Family Foundation	6,948	20,000	(8,994)	17,954
The Gosling Foundation	5,000	-	(5,000)	-
TOTAL	87,813	481,269	(445,000)	124,082

KAWARTHA TURTLE TRAUMA CENTRE

(operating as Ontario Turtle Conservation Centre)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

7. INTERFUND TRANSFER

The Board of Directors has approved a transfer of \$152,500, consisting of a bequest received during the year, from the operating fund to an internally restricted fund called the "Strategic Sustainable Fund".

8. COMMITMENT

The Centre has entered into a lease agreement for the rental of its hospital facility at 1434 Chemong Road in Peterborough, Ontario. In December 2017, the Centre extended the lease for 5 additional years, ending August 2023. The minimum annual rental payments (net of the HST rebate) over the next five years are as follows:

	\$
2018	65,066
2019	65,066
2020	65,933
2021	67,665
2022	67,665

9 RESTATEMENT FOR CAPITAL ASSETS

During the year, the Centre changed its accounting policy for capital assets. Previously, since the organization had revenues under \$500,000, it elected to expense capital assets in the year of purchase. Under the new method, purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The change has been made on a retrospective basis.

As a result of this change, the 2016 balances have been restated as follows: capital assets and capital asset fund balances increased by \$28,652, which consists of a \$26,976 increase in opening balances, capital assets purchases funded by operations of \$8,840 (which were previously recorded as occupancy expenses) and amortization expense of \$7,164.