

Financial Statements

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

December 31, 2018

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Independent Auditor's Report

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To the Members of
Kawartha Turtle Trauma Centre
(operating as Ontario Turtle Conservation Centre)

Qualified Opinion

We have audited the financial statements of Kawartha Turtle Trauma Centre, which comprise the statement of financial position as at December 31, 2018, and the statement of changes in fund balances, statement of revenue and expenditure, and statement of 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 possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2018, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the 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 the 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, 2018 and 2017, current assets as at December 31, 2018 and 2017, and fund balances as at January 1, 2017, December 31, 2017 and 2018. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Centre 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 Centre'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.

Independent Auditor's Report (continued)

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

Grant Thornton LLP

Peterborough, Canada
April 12, 2019

Chartered Professional Accountants
Licensed Public Accountants

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Financial Position

Year ended December 31

2018

2017

Assets

Current

Cash	\$ 364,725	\$ 597,565
Accounts receivable	59,507	25,530
Grants receivable	53,734	94,699
Prepaid expenses	5,097	5,097
Investments (Note 4)	<u>405,585</u>	<u>-</u>

888,648 722,891

Capital assets (Note 5)

26,655 24,620\$ 915,303 \$ 747,511

Liabilities

Current

Accounts payable and accrued liabilities (Note 6)	\$ 23,676	\$ 23,934
Deferred grant revenue (Note 7)	<u>67,668</u>	<u>124,081</u>

91,344 148,015**Fund Balances**

Operating fund	644,804	422,376
Capital asset fund	26,655	24,620
Internally restricted fund	<u>152,500</u>	<u>152,500</u>

823,959 599,496\$ 915,303 \$ 747,511

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Changes in Fund Balances

Year ended December 31

	Operating fund 2018	Capital asset fund 2018	Internally restricted fund 2018	Total 2018	Total 2017
Balance, beginning of year	\$ 422,376	\$ 24,620	\$ 152,500	\$ 599,496	\$ 239,663
Excess of revenue over expenditure (expenditure over revenue) for the year	233,736	(9,273)	-	224,463	359,833
Capital asset purchases funded by operations	<u>(11,308)</u>	<u>11,308</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, ending of year	<u>\$ 644,804</u>	<u>\$ 26,655</u>	<u>\$ 152,500</u>	<u>\$ 823,959</u>	<u>\$ 599,496</u>

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

2018

2017

Revenue

Grants (Note 7)	\$ 560,072	\$ 445,000
Donations	282,031	421,104
Fundraising	73,409	37,549
Investment income	<u>5,585</u>	<u>1,110</u>
	<u>921,097</u>	<u>904,763</u>

Expenditure

Wages and benefits	242,606	189,252
Turtle care	220,364	197,038
Occupancy	70,279	62,486
Professional fees	50,375	24,503
Fundraising	37,245	747
Telephone and utilities	33,705	33,505
Office and general	18,096	18,835
Outreach	11,264	7,539
Amortization	9,273	7,712
Interest and bank charges	<u>3,427</u>	<u>3,313</u>
	<u>696,634</u>	<u>544,930</u>

Excess of revenue over expenditure	<u>\$ 224,463</u>	<u>\$ 359,833</u>
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Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Cash Flows

Year ended December 31

2018

2017

Increase (decrease) in cash

Operating

Excess of revenue over expenditure	\$ 224,463	\$ 359,833
Item not affecting cash		
Amortization	<u>9,273</u>	<u>7,712</u>
	233,736	367,545

Change in non-cash working capital items

Accounts receivable	(33,977)	(13,073)
Grants receivable	40,965	(57,899)
Accounts payable and accrued liabilities	(258)	(13,025)
Deferred grant revenue	<u>(56,413)</u>	<u>36,269</u>

184,053 319,817

Investing

Purchase of capital assets	(11,308)	(3,680)
Purchase of investments	<u>(405,585)</u>	<u>-</u>
	<u>(416,893)</u>	<u>(3,680)</u>

Increase (decrease) in cash

(232,840) 316,137

Cash, beginning of year

597,565 281,428

Cash, end of year

\$ 364,725 \$ 597,565

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Notes to the Financial Statements

December 31, 2018

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 are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(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 in 2017.

(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 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 operating fund in the year in which the related expenditures are incurred.

Kawartha Turtle Trauma Centre
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Notes to the Financial Statements
December 31, 2018

2. Significant accounting policies (continued)

Revenue and expenditure recognition (continued)

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.

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 amount to \$1,369 (2017 - \$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 Centre 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

Management reviews the carrying value of items in the financial statements at each reporting date to assess the need for revision or any possibility of impairment. Management determines estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Estimates are reviewed periodically and adjustments are made to revenue and expenditures as appropriate in the year they become known. Items subject to significant management estimates include deferred grant revenue and the useful life of capital assets.

(e) Financial instruments

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
- investments
- accounts payable

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, and subsequently measures all of its financial assets and liabilities at amortized cost, except for cash and investments, which are measured at fair value. 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, 2018

3. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. Unless otherwise noted, there has been no change in risk exposure from the prior year.

(a) **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 flow requirements. Additional cash requirements are met through the use of investments. It is management's opinion that its liquidity risk is low.

4. Investments

Investments consist of Guaranteed Investment Certificates issued by the TD Canada Trust with annual interest rates ranging from 1.12% - 1.80% and maturity dates ranging from February 17, 2019 to July 11, 2019.

5. Capital assets

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

	2018	2018	2017	2017
	Cost	Accumulated amortization	Cost	Accumulated amortization
Turtle care equipment	\$ 34,332	\$ 23,117	\$ 32,326	\$ 16,227
Furniture and equipment	19,039	3,984	9,737	2,545
Leasehold improvements	3,846	3,461	3,846	2,692
Computer equipment	<u>2,402</u>	<u>2,402</u>	<u>2,402</u>	<u>2,227</u>
	<u>59,619</u>	<u>32,964</u>	<u>48,311</u>	<u>23,691</u>
Net book value	<u>\$ 26,655</u>		<u>\$ 24,620</u>	

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$2,935 (2017 - \$1,618).

Kawartha Turtle Trauma Centre
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Notes to the Financial Statements
 December 31, 2018

7. Deferred grant revenue

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

	Balance - beginning of year	Received or receivable	Spent or Unrestricted	Balance - end of year
Benefaction Foundation	\$ -	\$ 7,100	\$ (7,100)	\$ -
Canada Summer Jobs	-	22,428	(22,428)	-
Daglish Family Foundation	-	50,000	(50,000)	-
ECHO Foundation	14,855	10,000	(19,059)	5,796
Eco Canada Internship Employment & Planning Counselling	-	12,500	(12,500)	-
Peterborough	-	1,200	(1,200)	-
Gordon & Patricia Gray Foundation	5,000	10,000	(5,000)	10,000
Great Lakes Guardian Community Fund	-	25,000	(25,000)	-
Helen McCrea Peacock Foundation	4,000	6,000	(4,000)	6,000
Johansen-Larsen Foundation	-	10,000	-	10,000
JP Bickell Foundation	-	10,000	-	10,000
Koval Foundation	-	50,000	(50,000)	-
Lush Cosmetics Charity Pot	25,000	-	(19,408)	5,592
Michael Young Family Foundation	-	10,000	-	10,000
Ministry of Natural Resources	-	136,613	(136,613)	-
Ontario Wildlife Foundation	-	3,000	(3,000)	-
Peterborough Horticulture Society	1,100	-	(1,100)	-
Schad Foundation	35,060	50,000	(85,060)	-
Species at Risk Stewardship Fund	-	32,318	(32,318)	-
TD Bank Group Corporate	13,613	15,000	(25,956)	2,657
TD Friends of the Environment	-	10,000	(7,390)	2,610
The Elsa Wild Animal Appeal of Canada	7,500	7,500	(15,000)	-
The Eric S. Margolis Family Foundation	17,953	25,000	(37,940)	5,013
	<u>\$ 124,081</u>	<u>\$ 503,659</u>	<u>\$ (560,072)</u>	<u>\$ 67,668</u>

Kawartha Turtle Trauma Centre
(operating as Ontario Turtle Conservation Centre)
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8. Commitment

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

	\$
2019	65,066
2020	65,933
2021	67,665
2022	67,665
2023	45,110

9. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.
