

Financial Statements

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

December 31, 2019

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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, 2019, 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, 2019, 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, 2019 and 2018, current assets as at December 31, 2019 and 2018, and fund balances as at January 1, 2018, December 31, 2018 and 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Peterborough, Canada
May 15, 2020

Chartered Professional Accountants
Licensed Public Accountants

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Financial Position

December 31	Operating Fund	Internally Restricted Fund	Capital Asset Fund	Capital Campaign Fund	Total 2019	Total 2018
Assets						
Current						
Cash	\$ 663,128	\$ -	\$ -	\$ -	\$ 663,128	\$ 364,725
Accounts receivable	64,886	-	-	-	64,886	59,507
Grants receivable	169,453	-	-	-	169,453	53,734
Prepaid expenses	5,097	-	-	-	5,097	5,097
Short term investments (Note 4)	313,968	-	-	-	313,968	405,585
Interfund balances (Note 5)	<u>(761,721)</u>	<u>425,974</u>	<u>-</u>	<u>335,747</u>	<u>-</u>	<u>-</u>
	<u>454,811</u>	<u>425,974</u>	<u>-</u>	<u>335,747</u>	<u>1,216,532</u>	<u>888,648</u>
Long-term investments (Note 4)	102,704	-	-	-	102,704	-
Capital assets (Note 6)	<u>-</u>	<u>-</u>	<u>23,088</u>	<u>11,787</u>	<u>34,875</u>	<u>26,655</u>
	<u>102,704</u>	<u>-</u>	<u>23,088</u>	<u>11,787</u>	<u>137,579</u>	<u>26,655</u>
	<u>\$ 557,515</u>	<u>\$ 425,974</u>	<u>\$ 23,088</u>	<u>\$ 347,534</u>	<u>\$ 1,354,111</u>	<u>\$ 915,303</u>
Liabilities						
Current						
Accounts payable and accrued liabilities (Note 7)	\$ 24,444	\$ -	\$ -	\$ -	\$ 24,444	\$ 23,677
Deferred grant revenue (Note 8)	<u>158,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,071</u>	<u>67,668</u>
	<u>182,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,515</u>	<u>91,345</u>
Fund balances						
Operating	375,000	-	-	-	375,000	644,804
Internally restricted	-	425,974	-	200,000	625,974	152,500
Externally restricted	-	-	-	135,747	135,747	-
Invested in capital assets	<u>-</u>	<u>-</u>	<u>23,088</u>	<u>11,787</u>	<u>34,875</u>	<u>26,654</u>
	<u>375,000</u>	<u>425,974</u>	<u>23,088</u>	<u>347,534</u>	<u>1,171,596</u>	<u>823,958</u>
	<u>\$ 557,515</u>	<u>\$ 425,974</u>	<u>\$ 23,088</u>	<u>\$ 347,534</u>	<u>\$ 1,354,111</u>	<u>\$ 915,303</u>

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Changes in Fund Balances

For the year ended December 31	Operating Fund	Internally Restricted Fund	Capital Asset Fund	Capital Campaign Fund	Total 2019	Total 2018
Balance, beginning of year	\$ 644,804	\$ 152,500	\$ 26,654	\$ -	\$ 823,958	\$ 599,495
Excess of revenue over expenditure (expenditure over revenue) for the year	207,620	-	(7,516)	147,534	347,638	224,463
Capital asset purchases funded by operations	(3,950)	-	3,950	-	-	-
Interfund transfers (Note 5)	<u>(473,474)</u>	<u>273,474</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Balance, ending of year	<u>\$ 375,000</u>	<u>\$ 425,974</u>	<u>\$ 23,088</u>	<u>\$ 347,534</u>	<u>\$ 1,171,596</u>	<u>\$ 823,958</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	Operating Fund	Internally Restricted Fund	Capital Asset Fund	Capital Campaign Fund	Total 2019	Total 2018
Revenue						
Grants (Note 8)	\$ 421,764	\$ -	\$ -	\$ 149,200	\$ 570,964	\$ 560,072
Donations	379,339	-	-	-	379,339	282,031
Fundraising	68,443	-	-	-	68,443	73,409
Investment income	7,485	-	-	-	7,485	5,585
	<u>877,031</u>	<u>-</u>	<u>-</u>	<u>149,200</u>	<u>1,026,231</u>	<u>921,097</u>
Expenditure						
Salaries and related benefits	263,813	-	-	-	263,813	242,606
Turtle care	204,349	-	-	-	204,349	220,364
Occupancy	71,185	-	-	1,666	72,851	70,279
Professional fees	37,978	-	-	-	37,978	50,375
Telephone and utilities	36,821	-	-	-	36,821	33,705
Fundraising	28,008	-	-	-	28,008	37,245
Office and general	19,382	-	-	-	19,382	18,096
Outreach	5,257	-	-	-	5,257	11,264
Interest and bank charges	2,618	-	-	-	2,618	3,427
Amortization	-	-	7,516	-	7,516	9,273
	<u>669,411</u>	<u>-</u>	<u>7,516</u>	<u>1,666</u>	<u>678,593</u>	<u>696,634</u>
Excess of revenue over expenditure (expenditure over revenue) for the year	<u>\$ 207,620</u>	<u>\$ -</u>	<u>\$ (7,516)</u>	<u>\$ 147,534</u>	<u>\$ 347,638</u>	<u>\$ 224,463</u>

See accompanying notes to the financial statements.

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Cash Flows

Year ended December 31

2019

2018

Increase (decrease) in cash

Operating

Excess of revenue over expenditure	\$ 347,638	\$ 224,463
Item not affecting cash		
Amortization	<u>7,516</u>	<u>9,273</u>
	355,154	233,736

Change in non-cash working capital items

Accounts receivable	(5,379)	(33,977)
Grants receivable	(115,719)	40,965
Accounts payable and accrued liabilities	768	(258)
Deferred grant revenue	<u>90,403</u>	<u>(56,413)</u>

325,227 184,053

Investing

Purchase of capital assets	(15,737)	(11,308)
Purchase of investments	<u>(11,087)</u>	<u>(405,585)</u>
	<u>(26,824)</u>	<u>(416,893)</u>

Increase (decrease) in cash

298,403 (232,840)

Cash, beginning of year

364,725 597,565

Cash, end of year

\$ 663,128 \$ 364,725

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Notes to the Financial Statements

Year ended December 31, 2019

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 Centre 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 Centre'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 Centre 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:

Fund accounting

The Centre follows the restricted fund method of accounting:

- i) The Operating Fund accounts for the Centre's daily operating and administrative activities.
- ii) The Capital Asset Fund reports the Centre's capital assets, related liabilities, revenue and expenditures.
- iii) The Internally Restricted Fund reports activities of the Strategic Sustainable Fund which currently consists of funds set aside by the Board of Directors.
- iv) The Capital Campaign Fund reports activities of the Centre for the development and construction of a new facility.

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

(operating as Ontario Turtle Conservation Centre)

Notes to the Financial Statements

Year ended December 31, 2019

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 \$5,003 (2018 - \$1,369).

Investment income is recognized as revenue of the appropriate fund in the year in which it is earned.

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.

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, grant revenue and the useful life of capital assets.

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
- grant receivable
- investments
- accounts payable

Kawartha Turtle Trauma Centre
(operating as Ontario Turtle Conservation Centre)
Notes to the Financial Statements
Year ended December 31, 2019

2. Significant accounting policies (continued)

Financial instruments (continued)

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.

3. Financial instruments risks

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.

4. Investments

Investments consist of Guaranteed Investment Certificates issued by the TD Canada Trust with annual interest rates ranging from 1.55% - 2.45% (2018 - 1.12% to 1.8%) and maturity dates ranging from March 2020 to January 2021 (2018 - February to July 2019). Short term investments consists of any investment certificates with a maturity date within the next year.

5. Interfund balances and transfers

The interfund balances consist of amounts owing/owed between funds. These interfund balances are non-interest bearing with no fixed terms of repayment.

During the year, the Board of Directors transferred \$473,474 from the operating fund to the internally restricted fund and capital campaign fund for Board approved initiatives of the internally restricted fund and the development of the new facility.

Kawartha Turtle Trauma Centre
 (operating as Ontario Turtle Conservation Centre)
Notes to the Financial Statements
 Year ended December 31, 2019

6. Capital assets

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

	2019	2019	2018	2018
	Cost	Accumulated amortization	Cost	Accumulated amortization
Turtle care equipment	\$ 34,332	\$ 28,147	\$ 34,332	\$ 23,117
Furniture and equipment	22,989	6,085	19,039	3,984
Leasehold improvements	3,846	3,847	3,846	3,461
Computer equipment	2,402	2,402	2,402	2,402
Leasehold improvements - new facility	<u>11,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>75,356</u>	<u>40,481</u>	<u>59,619</u>	<u>32,964</u>
Net book value	<u>\$ 34,875</u>		<u>\$ 26,655</u>	

7. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$3,113 (2018 - \$2,935).

Kawartha Turtle Trauma Centre
 (operating as Ontario Turtle Conservation Centre)
Notes to the Financial Statements
 Year ended December 31, 2019

8. Deferred grant revenue

	Balance - beginning of year	Received or receivable	Spent or Unrestricted	Balance - end of year
Agilec	\$ -	\$ 3,640	\$ (3,640)	\$ -
Canada Summer Jobs	-	39,256	(39,256)	-
Catherine and Maxwell Meighen Foundation	-	5,000	(5,000)	-
Charles H. Ivey Foundation	-	10,000	(961)	9,039
CiCan Career Launcher Internship	-	7,400	(7,400)	-
Community Foundation of Greater Peterborough	-	3,000	(1,082)	1,918
Daglish Family Foundation	-	50,000	(46,560)	3,440
ECHO Foundation	5,796	10,000	(5,796)	10,000
Eco Canada Internship	-	3,750	(3,750)	-
Elsa Wild Animal Appeal of Canada	-	7,500	(1,001)	6,499
Eric S. Margolis Family Foundation	5,014	25,000	(18,311)	11,703
Gordon and Patricia Gray Foundation	10,000	-	-	10,000
Helen McCrea Peacock Foundation	6,000	7,000	(6,000)	7,000
Johansen-Larsen Foundation	10,000	10,000	(14,355)	5,645
JP Bickell Foundation	10,000	-	(10,000)	-
KM Hunter Charitable Foundation	-	5,000	-	5,000
Koval Foundation	-	35,000	(35,000)	-
Lush Cosmetics Charirty Pot Martha Rogers	5,592	-	(5,592)	-
Michael Young Family Foundation	10,000	-	(10,000)	-
Ministry of Environment, Conservation and Parks	-	142,703	(142,703)	-
Ministry of Natural Resources	-	9,525	(9,525)	-
Nickle Family Foundation	-	150	(150)	-
Norman And Margaret Jewison Foundation	-	5,000	(502)	4,498
Ontario Wildlife Foundation	-	5,000	(507)	4,493
SC Johnson	-	10,000	(7,164)	2,836
Schad Foundation	-	10,000	-	10,000
Species at Risk Stewardship Fund	-	38,243	(38,243)	-
TD Bank Group Corporate	2,656	-	(2,656)	-
TD Friends of the Environment	2,610	-	(2,610)	-
W. Garfield Weston Foundation	-	20,000	(4,000)	16,000
	<u>\$ 67,668</u>	<u>\$ 512,167</u>	<u>\$ (421,764)</u>	<u>\$ 158,071</u>

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Notes to the Financial Statements

Year ended December 31, 2019

8. Deferred grant revenue (continued)

Included in grant revenue of the capital campaign fund is \$149,200 (2018 - \$Nil) received for the development of a new turtle hospital and facility. This includes \$129,000 from the Ontario Trillium Foundation and \$20,000 from the Gordon and Patricia Gray Foundation.

9. 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 Centre also entered into a lease agreement for the rental of a new property to develop for the new turtle hospital and facility, ending November 2024. The minimum annual rental payments (net of the HST rebate) over the next five years are as follows:

	\$
2020	78,405
2021	80,138
2022	80,138
2023	57,583
2024	11,433

10. Subsequent events

Subsequent to December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

For the Centre, impacts could be seen on donations, fundraising revenue and grant revenue. There has been limited access to the Centre, although the nature of the Centre requires continued care and medical support.

The Centre has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact, if any. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Centre for future periods.
