



Financial Statements

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

December 31, 2021

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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 (the "Centre"), which comprise the statement of financial position as at December 31, 2021, 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, 2021, 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, 2021 and 2020, current assets as at December 31, 2021 and 2020, and fund balances as at January 1, 2020 and 2021, December 31, 2020 and 2021. Our audit opinion on the financial statements for the year ended December 31, 2020 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

Independent Auditor's Report (continued)

Centre or to cease operations, or has no realistic alternative but to do so.

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
April 20, 2022

Chartered Professional Accountants
Licensed Public Accountants

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Financial Position

December 31	Operating Fund	Capital Campaign Fund	Total 2021	Total 2020
Assets				
Current				
Cash	\$ 560,255	\$ -	\$ 560,255	\$ 219,402
HST receivable	23,603	-	23,603	112,660
Grants receivable	28,421	-	28,421	212,524
Prepaid expenses	5,097	-	5,097	5,097
Investments (Note 4)	860,114	-	860,114	855,163
Interfund balances (Note 5)	(175,201)	175,201	-	-
	<u>1,302,289</u>	<u>175,201</u>	<u>1,477,490</u>	<u>1,404,846</u>
Long-term investments (Note 4)	21,825	-	21,825	3,601
Capital assets (Note 6)	315,222	-	315,222	271,541
	<u>337,047</u>	<u>-</u>	<u>337,047</u>	<u>275,142</u>
	<u>\$ 1,639,336</u>	<u>\$ 175,201</u>	<u>\$ 1,814,537</u>	<u>\$ 1,679,988</u>
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 7)	\$ 26,799	\$ -	\$ 26,799	\$ 36,472
Deferred grant revenue (Note 8)	71,942	-	71,942	200,944
Deferred revenue	425	-	425	-
	<u>99,166</u>	<u>-</u>	<u>99,166</u>	<u>237,416</u>
Fund balances				
Unrestricted	440,000	-	440,000	607,428
Internally restricted	784,948	137,629	922,577	563,603
Invested in capital assets	315,222	-	315,222	271,541
Externally restricted	-	37,572	37,572	-
	<u>1,540,170</u>	<u>175,201</u>	<u>1,715,371</u>	<u>1,442,572</u>
	<u>\$ 1,639,336</u>	<u>\$ 175,201</u>	<u>\$ 1,814,537</u>	<u>\$ 1,679,988</u>

Commitment (Note 9)

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Changes in Fund Balances

For the year ended December 31	Unrestricted	Internally Restricted	Invested in capital assets	Externally restricted	Total 2021	Total 2020
Balance, beginning of year	\$ 607,428	\$ 563,603	\$ 271,541	\$ -	\$ 1,442,572	\$ 1,171,596
Excess (deficiency) of revenue over expenditure	197,945	-	(33,155)	108,009	272,799	270,976
Interfund transfers for capital asset purchases	(6,399)	-	76,836	(70,437)	-	-
Other interfund transfers (Note 5)	<u>(358,974)</u>	<u>358,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 440,000</u>	<u>\$ 922,577</u>	<u>\$ 315,222</u>	<u>\$ 37,572</u>	<u>\$ 1,715,371</u>	<u>\$ 1,442,572</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	Capital Campaign Fund	Total 2021	Total 2020
Revenue				
Grants (Note 8)	\$ 555,304	\$ -	\$ 555,304	\$ 577,292
Donations	356,210	108,009	464,219	374,251
Fundraising	62,012	-	62,012	58,009
Investment income	4,951	-	4,951	7,095
	<u>978,477</u>	<u>108,009</u>	<u>1,086,486</u>	<u>1,016,647</u>
Expenditure				
Salaries and related benefits	390,019	-	390,019	274,341
Turtle care	164,153	-	164,153	222,506
Occupancy	63,989	-	63,989	90,377
Professional fees	44,168	-	44,168	53,417
Telephone and utilities	42,565	-	42,565	30,699
Office and general	37,006	-	37,006	28,711
Fundraising	24,558	-	24,558	19,711
Outreach	7,954	-	7,954	2,595
Interest and bank charges	1,412	-	1,412	3,227
Amortization	33,155	-	33,155	20,087
	<u>808,979</u>	<u>-</u>	<u>808,979</u>	<u>745,671</u>
Excess of revenue over expenditure before other expense	<u>169,498</u>	<u>108,009</u>	<u>277,507</u>	<u>270,976</u>
Other expense				
Unrealized loss on marketable securities	<u>(4,708)</u>	<u>-</u>	<u>(4,708)</u>	<u>-</u>
Excess of revenue over expenditure	<u>\$ 164,790</u>	<u>\$ 108,009</u>	<u>\$ 272,799</u>	<u>\$ 270,976</u>

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Statement of Cash Flows

Year ended December 31

2021

2020

Increase (decrease) in cash

Operating

Excess of revenue over expenditure	\$ 272,799	\$ 270,976
Items not affecting cash		
Amortization	33,155	20,087
Accrued interest on investments	1,930	-
Unrealized loss on marketable securities	4,708	-
	<u>312,592</u>	<u>291,063</u>

Change in non-cash working capital items

Accounts receivable	-	953
HST receivable	89,057	(48,728)
Grants receivable	184,103	(43,071)
Accounts payable and accrued liabilities	(9,673)	12,028
Deferred revenue	425	-
Deferred grant revenue	(129,002)	42,873
	<u>447,502</u>	<u>255,118</u>

Investing

Purchase of capital assets	(76,836)	(256,753)
Purchase of investments	(886,523)	(485,000)
Proceeds on redemption of investments	856,710	42,909
	<u>(106,649)</u>	<u>(698,844)</u>

Increase (decrease) in cash

	340,853	(443,726)
Cash, beginning of year	<u>219,402</u>	<u>663,128</u>
Cash, end of year	<u>\$ 560,255</u>	<u>\$ 219,402</u>

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Notes to the Financial Statements

Year ended December 31, 2021

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. Summary of 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 operating fund accounts for the Centre's daily operating and administrative activities. The internally restricted portion of the operating fund reports activities of the Strategic Sustainable Fund which currently consists of funds set aside by the Board of Directors. The Centre's investment in capital assets is also reported in the operating fund.

The capital campaign fund reports revenue and expenditure for the development and construction of a new facility.

Cash

Cash consists of balances with financial institutions.

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, 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
Year ended December 31, 2021

2. Summary of 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 \$24,800 (2020 - \$13,215) which consisted of donated shares of \$22,933 and various turtle care supplies of \$1,867.

Investment income is recognized as revenue of the operating fund in the year in which it is earned, unless a restricted contribution stipulates that any investment income earned on the contribution is to be spent on certain purposes, in which case it would be recognized in the corresponding restricted fund.

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.

Capital assets 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.

Investments

Investments which mature within twelve months of the fiscal year end are classified as current. The remainder of the investments are classified as long term.

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.

Kawartha Turtle Trauma Centre

(operating as Ontario Turtle Conservation Centre)

Notes to the Financial Statements

Year ended December 31, 2021

2. Summary of significant accounting policies (continued)

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

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.

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.

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) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Centre is subject to market risk on its long-term investments (Note 4).

(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 flow requirements. Additional cash requirements are met through the use of investments.

Kawartha Turtle Trauma Centre
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Notes to the Financial Statements
 Year ended December 31, 2021

3. Financial instruments risks (continued)

(c) **Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Centre is subject to limited interest rate risk on its interest-bearing financial instruments, consisting of short-term investments (Note 4).

4. Investments

Investments include Guaranteed Investment Certificates with annual interest rates ranging from 0.25% - 0.7% (2020 - 0.3% - 2.1%) and maturity dates ranging from February 2022 to September 2022 (2020 - January 2021 to July 2021). These investments are classified as current assets as they have maturity dates within the next year.

Investments also include Canadian equities with a market value of \$21,825 (2020 - \$3,601).

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 \$358,974 from the operating fund to the internally restricted fund for Board approved initiatives of the internally restricted fund.

6. Capital assets

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

	2021	2021	2020	2020
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Turtle care equipment	\$ 60,769	\$ 41,009	\$ 59,349	\$ 33,842
Furniture and equipment	37,308	12,831	37,308	9,100
Leasehold improvements	3,846	3,846	3,846	3,846
Computer equipment	7,380	3,223	2,402	2,402
Leasehold improvements - new facility	204,298	32,812	79,225	11,377
Leasehold improvements - new facility - construction in progress	<u>95,342</u>	<u>-</u>	<u>149,978</u>	<u>-</u>
	<u>408,943</u>	<u>93,721</u>	<u>332,108</u>	<u>60,567</u>
Net book value	<u>\$ 315,222</u>		<u>\$ 271,541</u>	

Kawartha Turtle Trauma Centre
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Notes to the Financial Statements
 Year ended December 31, 2021

7. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$4,677 (2020 - \$5,860).

8. Deferred grant revenue and grant revenue

	Balance - beginning of year	Received or receivable	Spent or Unrestricted	Balance - end of year
Alternatives: Ministry of Labour, Training and Skills	\$ -	\$ 7,200	\$ (3,962)	\$ 3,238
Canada Summer Jobs	-	80,252	(80,252)	-
Charles H. Ivey Foundation	17,999	10,000	(23,616)	4,383
Daglish Family Foundation	33,610	-	(20,008)	13,602
ECHO Foundation	9,342	10,000	(19,342)	-
Eco Canada Internship	-	6,850	(6,850)	-
Elsa Wild Animal Appeal of Canada	10,821	7,500	(13,950)	4,371
Ganawenim Meshkiki	85,211	25,000	(98,863)	11,348
Great Lakes Local Action Fund	-	50,000	(50,000)	-
Invasive Species Centre	-	5,000	(5,000)	-
Jackman Foundation	-	5,000	(5,000)	-
Johansen-Larsen Foundation	2,859	-	(2,859)	-
JP Bickell Foundation	10,000	-	(10,000)	-
Michael Young Family Foundation	-	10,000	(10,000)	-
Ministry of Environment, Conservation and Parks	-	174,000	(174,000)	-
Ocean Wise	-	4,500	(4,500)	-
Ontario Wildlife Foundation	4,518	-	(4,518)	-
Patagonia	6,584	-	(6,584)	-
Quercus Foundation	-	1,000	(1,000)	-
Schad Foundation	-	5,000	(5,000)	-
Takla Foundation	10,000	-	(10,000)	-
TD Friends of the Environment	10,000	5,000	-	15,000
W. Garfield Weston Foundation	-	20,000	-	20,000
	<u>\$ 200,944</u>	<u>\$ 426,302</u>	<u>\$ (555,304)</u>	<u>\$ 71,942</u>

Kawartha Turtle Trauma Centre
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Notes to the Financial Statements
Year ended December 31, 2021

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 minimum annual rental payments (net of the HST rebate) are as follows:

2022	56,129
2023	37,419
