

Toronto Zoo Wildlife Conservancy

Financial Statements

**For the period from May 11, 2018 (date
of incorporation) to December 31,
2019**



Independent auditor's report

To the Directors of the Board of Toronto Zoo Wildlife Conservancy

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Toronto Zoo Wildlife Conservancy (the Conservancy) as at December 31, 2019 and the results of its operations and its cash flows for the period from May 11, 2018 (date of incorporation) to December 31, 2019 in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Conservancy's financial statements comprise:

- the statement of financial position as at December 31, 2019;
- the statement of operations and changes in fund balances for the period from May 11, 2018 (date of incorporation) to December 31, 2019;
- the statement of cash flows for the period from May 11, 2018 (date of incorporation) to December 31, 2019; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our audit opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Conservancy in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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In preparing the financial statements, management is responsible for assessing the Conservancy'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 Conservancy or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Conservancy'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 Conservancy'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 Conservancy'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 Conservancy 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 26, 2020

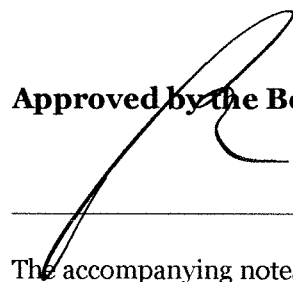
Toronto Zoo Wildlife Conservancy

Statement of Financial Position

As at December 31, 2019

	\$
Assets	
Current assets	
Cash and cash equivalents	1,519,052
Due from Toronto Zoo (note 3)	<u>500,800</u>
	<u>2,019,852</u>
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	<u>15,782</u>
Fund Balances	
Unrestricted	462,554
Restricted (note 4)	<u>1,541,516</u>
	<u>2,004,070</u>
	<u>2,019,852</u>

Approved by the Board of Directors



Board Chair



Treasurer

The accompanying notes are an integral part of these financial statements.

Toronto Zoo Wildlife Conservancy

Statement of Operations and Changes in Fund Balances

For the period from May 11, 2018 (date of incorporation) to December 31, 2019

	Unrestricted \$	Restricted \$	Total \$
Revenue			
Donations	611,439	1,541,516	2,152,955
Planned gifts	96,021	-	96,021
Adopt-an-Animal	77,580	-	77,580
Events	13,298	-	13,298
	<u>798,338</u>	<u>1,541,516</u>	<u>2,339,854</u>
Expenses			
Administrative	31,621	-	31,621
Personnel	280,268	-	280,268
Donation processing	23,143	-	23,143
Special events	752	-	752
	<u>335,784</u>	<u>-</u>	<u>335,784</u>
Excess of revenue over expenses for the period	462,554	1,541,516	2,004,070
Fund balances – Beginning of period	-	-	-
Fund balances – End of period	462,554	1,541,516	2,004,070

The accompanying notes are an integral part of these financial statements.

Toronto Zoo Wildlife Conservancy

Statement of Cash Flows

For the period from May 11, 2018 (date of incorporation) to December 31, 2019

	\$
Cash and cash equivalents provided by (used in)	
Operating activities	
Excess of revenue over expenses for the period	2,004,070
Changes in non-cash working capital balances related to operations	
Due from the Toronto Zoo	(500,800)
Accounts payable	<u>15,782</u>
Increase in cash and cash equivalents during the period	1,519,052
Cash and cash equivalents – Beginning of period	<u>-</u>
Cash and cash equivalents – End of period	<u>1,519,052</u>

The accompanying notes are an integral part of these financial statements.

Toronto Zoo Wildlife Conservancy

Notes to Financial Statements

December 31, 2019

Special events revenue is recorded in the period in which the event takes place. Revenue related to special events that take place subsequent to period-end is deferred.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments with original maturities of 90 days or less. Cash equivalents and investments meeting the definition of cash equivalents that are held for investing rather than liquidity purposes are classified as long-term investments.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Cash and cash equivalents are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost. Transaction costs incurred on the acquisition of cash equivalents are expensed as incurred.

Financial assets are assessed for impairment on an annual basis at the end of the period if there are indicators of impairment. If there is an indicator of impairment, the Conservancy determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset and the amount the Conservancy expects to realize by exercising its right to any collateral. However, impairment losses previously recognized may be reversed if there is an event that indicates a decrease in the extent of impairment.

In management's opinion, the Conservancy is not exposed to significant interest rate, credit, market, foreign exchange and cash flow risks.

Contributed services and materials

From time to time volunteers may contribute their services to the Conservancy. The Conservancy also receives contributions of materials. Due to the difficulty of determining the fair value, these contributed services and materials are not recognized or disclosed in the financial statements.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Toronto Zoo Wildlife Conservancy

Notes to Financial Statements

December 31, 2019

1 Nature of operations

Toronto Zoo Wildlife Conservancy (the Conservancy) is a corporation without share capital and is registered as a public foundation under Section 149(1)(f) of the Income Tax Act (Canada). As such, the Conservancy is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met, and it is able to issue donation receipts for income tax purposes.

The Conservancy was established on May 11, 2018 and received its charitable registration on January 1, 2019. Its operations effectively began on July 1, 2019.

The Conservancy solicits, receives, manages and distributes funds in support of Toronto Zoo (the Zoo) programs.

2 Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

The accrual basis of accounting is used for reporting all income and expenses, except for donations and bequests, which, in most cases, due to the inability to predict recoverability, are typically accounted for on a cash basis.

Fund accounting

The Conservancy follows the restricted fund method of accounting for contributions. As part of its fiduciary responsibilities, the Conservancy expends funds for the purpose for which they were given. For financial reporting purposes, the accounts have been classified into the following funds:

- The Unrestricted fund reports unrestricted resources available for purposes as determined by the Conservancy.
- The Restricted fund reports resources that are to be used for specific purposes as specified by the donor or by the Board.

Revenue recognition

Donations, grants and sponsorships for Conservancy events are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donor restricted donations for specific purposes are recognized as revenue of the Restricted fund.

Unrestricted donations are recognized as revenue of the Unrestricted fund when received or receivable if the amounts to be received can be reasonably measured and ultimate collection is reasonably assured.

Toronto Zoo Wildlife Conservancy

Notes to Financial Statements

December 31, 2019

3 Related party transactions

The Conservancy has several key relationships with the Zoo and the Zoo has significant influence over the Conservancy, however the Zoo does not control the Conservancy. The Zoo provides certain payroll and administrative services to the Conservancy. During the period, the Conservancy reimbursed the Zoo in the amount of \$333,334 for expenses paid by the Zoo on the Conservancy's behalf. Correspondingly, the Zoo reimbursed the Conservancy in the amount of \$334,134 for certain contributions received by the Zoo on the Conservancy's behalf. The amount due from the Zoo as at December 31, 2019 represents the net balance to settle these transactions (\$800) and includes a donation of \$500,000, which was paid subsequent to period-end.

During the period, the Zoo received \$579,932 in project-related grants, as a result of fundraising activities by the Conservancy's staff. These amounts do not appear on the Conservancy's financial statements, as they were received directly by the Zoo and expended on Zoo staffing and projects.

The above-noted transactions are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are unsecured, non-interest bearing and are payable on demand.

4 Restricted fund

As at December 31, 2019, the Restricted fund consisted of the following:

	\$
Internally restricted	41,516
Externally restricted	<u>1,500,000</u>
	<u>1,541,516</u>

As at December 31, 2019, \$500,000 of externally restricted funds were assigned to facilities improvements at the Zoo, with the residual balance of \$1,000,000 allocated to technology improvements at the Zoo.

5 Subsequent event

Since December 31, 2019, the outbreak of the coronavirus pandemic has resulted in governments worldwide enacting emergency measures to control the spread of the virus. These events may have a material impact on the Conservancy's donations in fiscal 2020, as well as its workforce.

As the situation continues to evolve rapidly, the Conservancy is unable to quantify the potential impact this pandemic may have on its financial statements.