

# **Toronto Zoo Wildlife Conservancy**

Financial Statements  
**December 31, 2020**



## Independent auditor's report

To the Directors of the Board of Toronto Zoo Wildlife Conservancy

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Toronto Zoo Wildlife Conservancy (the Wildlife Conservancy) as at December 31, 2020 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.

#### What we have audited

The Wildlife Conservancy's financial statements comprise:

- the statement of financial position as at December 31, 2020;
- the statement of operations for the year then ended;
- the statement of changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for 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 Wildlife 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.

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### 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 Wildlife 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 Wildlife Conservancy or to cease operations, or has no realistic alternative but to do so.

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

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### **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 Wildlife 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 Wildlife 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 Wildlife 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  
April 13, 2021

# Toronto Zoo Wildlife Conservancy

## Statement of Financial Position

As at December 31, 2020

	2020 \$	2019 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,935,716	1,519,052
Accounts receivable	13,795	-
Short-term investments	25,350	-
Due from Toronto Zoo (note 3)	-	500,800
	<u>3,974,861</u>	<u>2,019,852</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	30,386	15,782
Due to Toronto Zoo (note 3)	209,846	-
	<u>240,232</u>	<u>15,782</u>
<b>Fund Balances</b>		
<b>Unrestricted</b>	536,513	462,554
<b>Internally restricted</b> (note 4)	375,000	-
<b>Externally restricted</b> (note 4)	2,823,116	1,541,516
	<u>3,734,629</u>	<u>2,004,070</u>
	<u>3,974,861</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

			Year ended December 31, 2020 \$	Period from May 11, 2018 to December 31, 2019 \$
	Unrestricted \$	Restricted \$	Total \$	Total \$
<b>Revenue</b>				
Donations	733,195	2,708,455	3,441,650	2,152,955
Planned gifts	395,112	-	395,112	96,021
Adopt-an-Animal	140,130	1,900	142,030	77,580
Events	7,581	57,750	65,331	13,298
Other	12,183	-	12,183	-
Gifts-in-kind	6,670	135,614	142,284	-
	<u>1,294,871</u>	<u>2,903,719</u>	<u>4,198,590</u>	<u>2,339,854</u>
<b>Investment income</b>	17,341	-	17,341	-
<b>Expenses</b>				
Administration	125,835	-	125,835	31,621
Donation processing	55,473	-	55,473	23,143
Personnel	621,188	-	621,188	280,268
Events	4,087	-	4,087	752
	<u>806,583</u>	<u>-</u>	<u>806,583</u>	<u>335,784</u>
<b>Excess of revenue over expenses for the period before the undernoted</b>	505,629	2,903,719	3,409,348	2,004,070
<b>Contributions to the Toronto Zoo (note 3)</b>	56,670	1,622,119	1,678,789	-
<b>Excess of revenue over expenses for the period</b>	<u>448,959</u>	<u>1,281,600</u>	<u>1,730,559</u>	<u>2,004,070</u>

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

# Toronto Zoo Wildlife Conservancy

## Statement of Changes in Fund Balances

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	Year ended December 31, 2020 \$			Period from May 11, 2018 to December 31, 2019 \$	
	Unrestricted \$	Internally Restricted \$	Externally restricted \$	Total \$	Total \$
<b>Fund balances – Beginning of period</b>	462,554	-	1,541,516	2,004,070	-
Excess of revenue over expenses and contributions for the period	448,959	-	1,281,600	1,730,559	2,004,070
Interfund transfer	(375,000)	375,000	-	-	-
<b>Fund balances – End of period</b>	<u>536,513</u>	<u>375,000</u>	<u>2,823,116</u>	<u>3,734,629</u>	<u>2,004,070</u>

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

**Toronto Zoo Wildlife Conservancy**  
**Statement of Cash Flows**

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	Year ended December 31, 2020 \$	Period from May 11, 2018 to December 31, 2019 \$
<b>Cash and cash equivalents provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the period	1,730,559	2,004,070
Changes in non-cash working capital balances related to operations		
Accounts receivable	(13,795)	-
Short-term investments	(25,350)	-
Due to (from) the Toronto Zoo	710,646	(500,800)
Accounts payable	14,604	15,782
	<hr/>	<hr/>
<b>Increase in cash and cash equivalents during the period</b>	2,416,664	1,519,052
<b>Cash and cash equivalents – Beginning of period</b>	1,519,052	-
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<b>Cash and cash equivalents – End of period</b>	3,935,716	1,519,052
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The accompanying notes are an integral part of these financial statements.

# Toronto Zoo Wildlife Conservancy

## Notes to Financial Statements

December 31, 2020

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### 1 Nature of operations

Toronto Zoo Wildlife Conservancy (the Wildlife 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 Wildlife 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 Wildlife 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 Wildlife 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.

The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements.

#### Fund accounting

The Wildlife Conservancy follows the restricted fund method of accounting for contributions. As part of its fiduciary responsibilities, the Wildlife 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 Wildlife Conservancy.
- The externally restricted fund reports resources that are to be used for specific purposes as specified by the donor.
- The internally restricted fund reports resources that are to be used for specific purposes as specified by the Board.

# Toronto Zoo Wildlife Conservancy

## Notes to Financial Statements

December 31, 2020

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### Revenue recognition

Donations, Adopt-an-Animal contributions, planned gifts and sponsorships for the Wildlife 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 Externally Restricted fund.

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.

### Contributed services and materials

Donated services and materials are recorded at fair value when fair value can be reasonably estimated. During fiscal 2020, the Wildlife Conservancy recorded contributed goods (gifts-in-kind) in the amount of \$142,284 (2019 – \$nil), the value of which is verified from the supplier. These gifts-in-kind were primarily food for the animals.

### 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.

### Investment Income

Investment income includes interest income and is accrued as it is earned.

### Financial instruments

Financial instruments are recorded at fair value on initial recognition. Cash and cash equivalents and short-term investments 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 Wildlife 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 Wildlife 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 Wildlife Conservancy is not exposed to significant interest rate, credit, market, foreign exchange and cash flow risks.

# Toronto Zoo Wildlife Conservancy

## Notes to Financial Statements

December 31, 2020

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### 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.

### 3 Related party balances and transactions

The Wildlife Conservancy has several key relationships with the Zoo and the Zoo has significant influence over the Wildlife Conservancy; however, the Zoo does not control the Wildlife Conservancy.

The Zoo provides certain payroll and administrative services to the Wildlife Conservancy, which the Wildlife Conservancy reimburses. During 2020, the Wildlife Conservancy reimbursed the Zoo \$522,328 (2019 – \$333,334) for expenses paid by the Zoo on the Wildlife Conservancy's behalf. This comprised \$506,644 in salaries and benefits for the Wildlife Conservancy and Toronto Zoo seconded staff, and \$15,684 in other miscellaneous expenses paid by the Zoo on behalf of the Wildlife Conservancy.

As the fundraising partner of the Zoo, donations and grants should ideally come directly to the Wildlife Conservancy. However, during the period, the Zoo received \$1,070,969 (2019 – \$334,134) in grants and miscellaneous donations directed for the Wildlife Conservancy, which was subsequently transferred. The Wildlife Conservancy returned \$758,486 of those grants and donations during the period in order to fund Zoo programs for which the funds were intended; the amount remaining to be transferred to the Zoo as at December 31, 2020 is \$209,846, which represents the net balance to settle these transactions.

The Wildlife Conservancy made contributions to the Zoo totalling \$1,678,789 (2019 – \$nil). This amount is comprised of \$735,191 in funds raised through the Zoo Food for Life initiative, \$569,617 for Zoo grant-funded programs, \$142,284 in gifts-in-kind (primarily food for zoo animals), a \$50,000 grant for animal behavioural monitoring equipment and \$181,697 in funds raised for other Zoo initiatives.

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. The balance owing/receivable as at December 31 represents the net amount resulting from the transactions above. In the prior year, the balance receivable represented the net amount resulting from the transactions during the year as well as a donation of \$500,000 which was paid subsequent to year-end.

### 4 Restricted fund

As at December 31, 2020, \$500,000 (2019 – \$500,000) of externally restricted funds were assigned to technology improvements at the Zoo and \$375,000 (2019 – \$41,516) of internally restricted funds were assigned to the Orangutan Project.