

FINANCIAL STATEMENTS
For
**VETERINARIANS WITHOUT BORDERS/
VÉTÉRINAIRES SANS FRONTIÈRES**
For year ended
MARCH 31, 2021

**VETERINARIANS WITHOUT BORDERS/
VÉTÉRINAIRES SANS FRONTIÈRES**

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INDEPENDENT AUDITOR'S REPORT

To the Members of

VETERINARIANS WITHOUT BORDERS*Qualified Opinion*

We have audited the financial statements of Veterinarians Without Borders (the Organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in net assets and 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 our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 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 charitable organizations, the Organization derives 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1, 2020 and 2019 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
September 25, 2021.

VETERINARIANS WITHOUT BORDERS/
VÉTÉRINAIRES SANS FRONTIÈRES

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 358,309	\$ 234,515
Grants receivable	-	144,999
HST receivable	19,340	6,785
Advances	<u>132,947</u>	<u>56,080</u>
	\$ 510,596	\$ 442,379
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 44,705	\$ 32,053
Deferred contributions (note 5)	<u>206,043</u>	<u>148,498</u>
	<u>250,748</u>	<u>180,551</u>
NET ASSETS		
Unrestricted net assets	<u>259,848</u>	<u>261,828</u>
	\$ 510,596	\$ 442,379

Approved:

Dr. Jennifer Ogeer
..... Director

B. Delebraty
..... Director

(See accompanying notes)

**VETERINARIANS WITHOUT BORDERS/
VÉTÉRINAIRES SANS FRONTIÈRES**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
Revenue		
Government grants (note 5)	\$ 565,110	\$ 967,794
Corporate and foundation grants (note 5)	226,169	30,149
Other grants (note 5)	243,146	239,040
Donations and fundraising	112,914	129,452
In-kind donations	<u>164,025</u>	<u>416,624</u>
	<u>1,311,364</u>	<u>1,783,059</u>
Expenses		
Program services (note 6)	988,729	1,236,980
Management & general		
Compensation	359,757	294,258
Compensation allocated to projects	(274,199)	(266,741)
Professional fees	42,507	11,328
Occupancy	25,638	7,633
Interest and bank charges	3,480	3,490
Office expenses	22,967	55,382
Travel	-	7,687
Overhead recovered on direct project expenses	(87,101)	(90,471)
Overhead recovered on project volunteer time	<u>(8,880)</u>	<u>-</u>
	<u>84,169</u>	<u>22,566</u>
Fundraising & development		
Professional fees	46,884	44,836
Software	3,969	-
Bank charges	3,131	864
Fundraising events	22,437	-
Office expenses	-	15,885
Travel expenses	<u>-</u>	<u>1,633</u>
	<u>76,421</u>	<u>63,218</u>
	<u>1,149,319</u>	<u>1,322,764</u>
In-kind expenses		
Volunteer time	164,025	386,400
Travel - projects	<u>-</u>	<u>30,224</u>
	<u>164,025</u>	<u>416,624</u>
	<u>1,313,344</u>	<u>1,739,388</u>
Excess of revenue over expenses (expenses over revenue)	(1,980)	43,671
Net assets, beginning of year	<u>261,828</u>	<u>218,157</u>
Net assets, end of year	<u>\$ 259,848</u>	<u>\$ 261,828</u>

(See accompanying notes)

**VETERINARIANS WITHOUT BORDERS/
VÉTÉRINAIRES SANS FRONTIÈRES**

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
CASH PROVIDED BY (USED IN)		
Operating activities		
Excess of revenue over expenses (expenses over revenue)	\$ (1,980)	\$ 43,671
Grants receivable	144,999	(124,513)
HST receivable	(12,555)	1,054
Advances	(76,867)	(13,619)
Prepaid expenses	-	2,907
Accounts payable and accrued liabilities	12,652	(3,480)
Deferred contributions	<u>57,545</u>	<u>124,797</u>
 INCREASE IN CASH	 123,794	 30,817
 CASH, BEGINNING OF THE YEAR	 <u>234,515</u>	 <u>203,698</u>
 CASH, END OF THE YEAR	 <u>\$ 358,309</u>	 <u>\$ 234,515</u>

(See accompanying notes)

**VETERINARIANS WITHOUT BORDERS/
VÉTÉRINAIRES SANS FRONTIÈRES**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

1. PURPOSE OF THE ORGANIZATION

The purpose of Veterinarians Without Borders/Vétérinaires sans Frontières - Canada (the Organization) is to work for, and with, communities in need to foster the health of animals, people, and the environments that sustain us. The Organization works with governments, educational institutions, non-governmental organizations, local communities, farmers' groups, and international agencies, to tackle root-cause issues affecting public health, animal health, and ecosystem health in developing communities around the world.

The Organization is incorporated without share capital under the Canada Not-for-profit Corporations Act. The Organization is a registered charity under the Income Tax Act (Canada) and as such is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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 and grants for specific projects are deferred until the related expense for the project has been incurred.

Financial instruments

The Organization measures its financial assets and liabilities at fair value and subsequently remeasures them at cost or amortized cost.

In-kind donations and expenses

The Organization receives donations of Aeroplan miles and services by members, which it values as revenue and a related expense based on the estimated fair market value of the goods or services received or provided.

Foreign currency transactions

Transactions of the Organization denominated in foreign currencies are recorded in Canadian dollars at exchange rates in effect at the related transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the year end date. Resulting exchange gains or losses are included in the statement of operations.

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. Significant accounting estimates include determining the amount of accrued liabilities and the value of in-kind donations and expenses. These estimates are reviewed periodically and adjustments are made to operations as appropriate in the year they become known.

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NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2021

3. FINANCIAL INSTRUMENTS

The Organization is exposed to and manages various financial risks. The Organization's main financial risk exposures and its financial management policies are as follows:

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Organization's maximum exposure to credit risk is the sum of the carrying value of its cash and amounts receivable. The Organization's cash is deposited with a Canadian Chartered bank and as a result, management believes the loss of this item to be remote. To mitigate the credit risk associated with accounts receivable, the Organization carries out credit evaluations of its customers on a continuing basis. Grants receivable consists of amounts due from Global Affairs Canada.

Liquidity risk

Liquidity risk is the risk that the Organization cannot meet a demand for cash or fund its obligations as they become due. The Organization meets its liquidity requirements by establishing budgets and cash estimates to ensure it has funds necessary to fulfil its obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates. The statement of financial position includes the following amounts that are denominated in a currency other than the Canadian dollar:

	<u>USD</u>	<u>CAD</u>
Cash - denominated in U.S. dollars	\$ <u>6,577</u>	\$ <u>8,270</u>

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of the financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates. Since the Organization does not have any interest-bearing financial instruments, it is not exposed to significant interest rate risk.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Since the Organization does not hold any publicly traded investments, it is not exposed to significant other price risk.

Change in risk

There were no significant changes in risk exposure from the previous year.

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NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2021

4. CREDIT FACILITIES

The Organization has approved credit line facilities available in the amount of \$50,000, bearing interest at bank prime plus 4.25%. The bank indebtedness is secured by the Organization's assets. At the year-end date, no amount had been utilized.

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent grant amounts and donations received as restricted contributions during the year.

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 148,498	\$ 23,701
Receivable from prior year	(144,999)	(7,935)
Government grants received in the year	844,604	830,730
Corporate and Foundation grants received in the year	145,320	110,604
Other grants received in the year	247,045	283,382
Government grants recognized in the year	(565,110)	(967,794)
Corporate and Foundation grants recognized in the year	(226,169)	(30,149)
Other grants recognized in the year	(243,146)	(239,040)
Reclassified as accounts receivable	<u>-</u>	<u>144,999</u>
Ending balance	<u>\$ 206,043</u>	<u>\$ 148,498</u>

6. PROGRAM SERVICES

	<u>2021</u>	<u>2020</u>
Remuneration	\$ 447,412	\$ 410,584
Professional/consultant	129,284	24,236
Travel costs	92,584	371,192
Training	41,662	49,467
Goods, equipment & supplies	43,417	15,401
Direct admin costs	20,834	9,509
Other project costs	48,472	86,455
Volunteer expenses	40,073	157,912
Grants/Bursaries	29,000	30,000
Overhead	<u>95,991</u>	<u>82,224</u>
	<u>\$ 988,729</u>	<u>\$ 1,236,980</u>

7. LEASE COMMITMENT

The Organization has an operating lease for office space which expires March 31, 2022.

The annual lease payments, including operating costs and taxes, are approximately \$19,561.

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NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2021

8. ECONOMIC DEPENDENCE

The Organization derives a majority of its revenues from Global Affairs Canada. During the year, this agency accounted for 50% (2020 - 71%) of revenue, excluding in-kind donations.

9. COVID-19

In mid-March 2020, the Canadian government instituted numerous emergency measures in response to the public health concerns originating from the spread of the COVID-19 pandemic. Those measures included travel restrictions and social distancing requirements which included a call to avoid crowded places and non-essential gatherings.

As a result of these events, the Organization postponed upcoming travel and project activities. A high degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the disease makes it difficult to determine the length of time the Organization's operations will be impacted. Consequently, at the time of issuance of these financial statements, the effect that the abrupt decline in economic activity will have on the Organization's operations, assets, liabilities, net assets, revenues and expenses is not yet known.

10. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted for the current year.