

# Story Book Farm Primate Sanctuary

Financial Statements

For the period ended December 31, 2023

## Independent Auditor's Report

To the Board of Directors of Story Book Farm Primate Sanctuary

### ***Qualified Opinion***

I have audited the financial statements of Story Book Farm Primate Sanctuary ("the Organization") which comprise the statement of financial position as at December 31, 2023, and the statements of operations, and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the 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 December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPOs).

### ***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly my verification of these revenues was limited to the amounts recorded in the records of the Organization and I was not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenditures and cash flows from operations for the year ended December 31, 2023, current assets and net assets as at December 31, 2023.

I conducted my audit in accordance Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPOs, 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***

My 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 my 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located in the attached Appendix to the Auditor's Report. This description forms part of my auditor's report

*GTA Accounting Professional Corporation*

Authorized to practice public accounting by the  
Chartered Professional Accountants of Ontario  
Toronto, Canada  
July 2, 2024

## Appendix to the Auditor's Report

As part of an audit in accordance with CASs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

I 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 I identify during my audit.

Story Book Farm Primate Sanctuary  
Statement of Financial Position

As at,	December 31 2023	December 31 2022	December 31 2021
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 125,192	\$ 140,820	\$ 159,376
Accounts receivable	2,717	6,000	-
HST recoverable	11,658	11,987	58,795
	<u>139,567</u>	<u>158,807</u>	<u>218,171</u>
Property and equipment (Note 5)	1,096,730	1,107,781	1,107,637
Investments (Note 4)	201,870	132,190	128,359
Inventory	1,825	580	-
	<u>\$1,439,992</u>	<u>\$ 1,399,358</u>	<u>\$ 1,454,167</u>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable (Note 6)	\$ 7,317	\$ 8,155	\$ 4,681
Loan payable (Note 8)	199,106	202,541	208,389
	<u>206,423</u>	<u>210,696</u>	<u>213,070</u>
Due to related party (Note 7)	350,000	350,000	350,000
	<u>556,423</u>	<u>560,696</u>	<u>563,070</u>
Net assets	<u>883,569</u>	<u>838,662</u>	<u>891,097</u>
	<u>\$1,439,992</u>	<u>\$ 1,399,358</u>	<u>\$ 1,454,167</u>

APPROVED ON BEHALF OF THE BOARD:

Dana Liepa, Executive Director

R. J. Gates, Treasurer

**Story Book Farm Primate Sanctuary**  
**Statement of Operations and Changes in Net Assets**  
**For the year ended,**

	December 31 2023	December 31 2022
<b>Revenues</b>		
General revenues	\$ 41,189	\$ 27,431
Donations	314,428	185,396
Interest income	4,553	2,946
Gifts in kind	1,825	1,481
Rental income	6,275	9,107
<b>Total revenue</b>	<b>368,270</b>	<b>226,361</b>
<b>Expenses</b>		
Advertising	25	1,485
Bank charges and interest	13,875	7,929
Supplies	20,859	23,433
Salaries and wages	122,795	106,331
Food	14,910	15,011
Office	8,296	6,374
Insurance	15,522	15,820
Travel	2,954	1,587
Utilities	35,729	34,190
Training and education	607	-
Telephone	1,093	1,169
Property taxes	4,053	3,901
Vehicle expenses	12,090	315
Repairs and maintenance	30,032	16,422
Medical and veterinary expenses	16,483	21,353
Amortization	24,040	23,476
	<b>323,363</b>	<b>278,796</b>
<b>Excess (deficiency) of revenue over expenditures for the year</b>	<b>44,907</b>	<b>(52,435)</b>
Net assets, beginning of year	838,662	891,097
<b>Net assets, end of year</b>	<b>\$ 883,569</b>	<b>\$ 838,662</b>

# Story Book Farm Primate Sanctuary

## Statement of Cash Flows

For the year ended,

December 31 December 31

2023

2022

### Cash provided by (used in)

#### Operations

Excess (deficiency) of revenue over expenditures for the year

\$ 44,907 \$ (52,435)

Items not affecting cash

Amortization

24,040 23,476

68,947 (28,959)

Net changes in non-cash working capital

Accounts receivable

3,283 (6,000)

HST recoverable

329 46,808

Inventory

(1,245) (580)

Accounts payable

(839) 3,477

70,475 14,746

#### Financing

Repayment of loan payable

(3,435) (5,848)

#### Investing

Purchase of investments

(69,680) (3,833)

Purchase of property and equipment

(12,988) (23,621)

(82,668) (27,454)

Net change in cash

(15,628) (18,556)

Cash, beginning of year

140,820 159,376

Cash, end of year

\$ 125,192 \$ 140,820

**Story Book Farm Primate Sanctuary**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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**1. NATURE OF THE ORGANIZATION**

Story Book Farm Primate Sanctuary ("the Organization") was founded without share capital under the Not-for-profit Corporations Act and obtained charitable status on January 1, 2011. The Organization is a registered charity for tax purposes and consequently is not subject to income taxes.

The Organization is a non-profit organization that operates as a primate sanctuary. The Organization provides a permanent home for primates retiring from research, for monkeys and lemurs saved from abuse and neglect at unregulated roadside zoos and victims of the exotic animal trade. The Organization provides the animals with access to food, shelter and medical and veterinary care.

**2. IMPACT OF FIRST-TIME ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

These financial statements are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The financial statements for the year ended December 31, 2022 were prepared in accordance with the accounting principles described and the provisions set out in Section 1501, First-Time Adoption of Accounting Standards by Not-for-profit Organizations of CPA Canada Handbook - Accounting for first-time adopters of this basis of accounting. There was no impact to the Organization's net assets at the date of transition to accounting standards for not-for-profit organizations resulting from the adoption of these standards.



**Story Book Farm Primate Sanctuary**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These standards are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

**Revenue Recognition**

The Organization follows the deferral method of accounting for contributions.

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. Restricted contributions are deferred and recognized as revenue when the related expenses are recognized. Service fees are recognized as revenue when related services are rendered and complete.

All other revenues are recognized on the accrual basis.

**Story Book Farm Primate Sanctuary**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Use of Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates used in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

Significant areas requiring the use of management estimates relate to amortization of property and equipment.

**Inventories**

Inventories are valued at the lower of cost and net realizable value.

**Property and Equipment**

Property and equipment are recorded at cost less accumulated amortization. Contributed property is recorded at the fair value at the date of the gift. When property and equipment no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

The Organization amortizes its property and equipment on the diminishing balance method at the following rates per annum:

Vehicles	20%
Buildings	4%
Furniture and fixtures	20%

**Financial Instruments**

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost using the straight-line method.

Financial assets measured at amortized cost include amounts receivable. Financial liabilities measured at amortized cost include accounts payable and loan payable.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of expenses over revenue. Reversals of impairment are

**Story Book Farm Primate Sanctuary**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

The Organization is exposed to various risks in the course of operations.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Organization by failing to discharge an obligation. The Organization does not believe it is subject to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations.

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 comprises three types of risk: currency risk, interest rate risk and other price risk. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not subject to currency risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to this risk mainly in respect to its loan payable. In addition, the Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

The Organization does not believe it is subject to other price risk.

**Story Book Farm Primate Sanctuary**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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**4. INVESTMENTS**

The Organization currently holds investments with three different financial institutions:

The first financial institution is Oshawa Community Credit Union where the Organization holds a term deposit valued at \$10,153 on December 31, 2023, with a maturity date of January 8, 2024 and earns interest of 2.1%.

The second financial institution is Meridian Credit Union where the Organization holds five different Guaranteed Investment Certificates (GICs). The first GIC holds a value of \$12,500 as at December 31, 2023 with a maturity date of April 4, 2024 and earns interest of 4.75%. The second GIC holds a value of \$12,500 as at December 31, 2023 with a maturity date of July 4, 2024 and earns interest of 5.15%. The third GIC holds a value of \$25,000 as at December 31, 2023 with a maturity date of January 23, 2025 and earns interest of 5.50%. The fourth GIC holds a value of \$12,971 as at December 31, 2023 with a maturity date of September 14, 2024 and earns interest of 5.35%. The fifth GIC holds a value of \$12,971 as at December 31, 2023 with a maturity date of March 14, 2025 and earns interest of 5.50%.

The third financial institution is Caldwell Securities Ltd. where the Organization holds a portfolio of assets consisting of cash and cash equivalents, foreign equities, mutual funds and Canadian equities. As at December 31, 2023 this portfolio has a fair value of \$115,776 and cost of \$68,052.

**5. PROPERTY AND EQUIPMENT**

			December 31	December 31
	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Furniture and equipment	\$ 39,935	\$ 17,601	\$ 22,334	\$ 14,929
Buildings	797,877	87,063	710,814	727,931
Vehicles	14,000	10,876	3,124	4,463
Land	360,458	-	360,458	360,458
	<u>\$ 1,212,270</u>	<u>\$ 115,540</u>	<u>\$1,096,730</u>	<u>\$ 1,107,781</u>

**Story Book Farm Primate Sanctuary**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities are government remittances of \$2,163 (2022 - \$765).

**7. DUE TO RELATED PARTY**

The amounts due to a related party represent amounts owing to a Director of the Organization, and consist of funding towards the purchase of the building and property as to which the Organization operates upon, which was provided in 2015. This amount is non-interest bearing and is due on demand. Accordingly, loans from related party have been classified as a long term liability.

**8. LOAN PAYABLE**

The Company has an outstanding loan with a Director of the Organization. In 2015, the Director took out a personal line of credit and provided the funding from this loan to the Organization in order to purchase the building and property as to which the Organization operates upon. The loan is unsecured, and the Organization currently makes monthly repayments of \$1,520 to the Director in order to cover the principal and interest portion of the personal line of credit.

**9. CONTINGENT LIABILITY**

The Organization is contingently liable to return all or a portion of grants received for expenditures should it not use the grant funds as set out in the terms of the respective agreements. The amount of any such losses or repayments are not currently anticipated or determinable. In the event of repayment of a grant, the losses will be recorded if and when it becomes anticipated and determinable.

**10. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's presentation. Excess of revenue over expenses reported previously has not been affected by this reclassification.