

**FINANCIAL STATEMENTS**  
**For**  
**VETERINARIANS WITHOUT BORDERS/  
VÉTÉRINAIRES SANS FRONTIÈRES**  
**For year ended**  
**MARCH 31, 2019**

## 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, 2019, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019 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, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1, 2018 and 2017 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 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.

*Welch LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
August 17, 2019.

**VETERINARIANS WITHOUT BORDERS/  
VÉTÉRINAIRES SANS FRONTIÈRES**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 203,698	\$ 179,659
Accounts receivable	20,486	2,455
HST receivable	7,839	3,674
Advances	42,461	31,116
Prepaid expenses	<u>2,907</u>	<u>-</u>
	<u>\$ 277,391</u>	<u>\$ 216,904</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 35,533	\$ 14,852
Deferred contributions (note 5)	<u>23,701</u>	<u>52,859</u>
	<u>59,234</u>	<u>67,711</u>
<b>NET ASSETS</b>		
Unrestricted net assets	<u>218,157</u>	<u>149,193</u>
	<u>\$ 277,391</u>	<u>\$ 216,904</u>

Approved:

*Kate Clow* ..... Director

*Dr. Jennifer O'Grady* ..... Director

(See accompanying notes)

**Welch LLP**

An Independent Member of BKR International

**VETERINARIANS WITHOUT BORDERS/  
VÉTÉRINAIRES SANS FRONTIÈRES**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

**YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>Revenue</b>		
Federal government grants (note 5)	\$ 971,620	\$ 985,357
Donations and fundraising	133,767	119,110
In-kind donations	<u>617,243</u>	<u>407,979</u>
	<u>1,722,630</u>	<u>1,512,446</u>
<b>Expenses</b>		
Project expenses (note 6)	613,392	570,490
Wages and contract fees	276,415	328,587
Office (note 7)	92,518	90,445
Grant disbursements	31,473	21,938
Professional fees	11,316	11,005
Bank charges and interest	2,549	4,063
Board and committee expenses	8,760	1,267
Exchange gain	-	<u>(29,580)</u>
	<u>1,036,423</u>	<u>998,215</u>
<b>In-kind expenses</b>		
Volunteer time	549,000	388,200
Travel - projects	<u>68,243</u>	<u>19,779</u>
	<u>617,243</u>	<u>407,979</u>
	<u>1,653,666</u>	<u>1,406,194</u>
<b>Excess of revenue over expenses</b>	68,964	106,252
<b>Net assets, beginning of year</b>	<u>149,193</u>	<u>42,941</u>
<b>Net assets, end of year</b>	<u>\$ 218,157</u>	<u>\$ 149,193</u>

(See accompanying notes)

**VETERINARIANS WITHOUT BORDERS/  
VÉTÉRINAIRES SANS FRONTIÈRES**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 68,964	\$ 106,252
Accounts receivable	(18,031)	159,606
HST receivable	(4,165)	2,150
Prepaid promotion expenses	-	12,644
Advances	(11,345)	(15,021)
Prepaid expenses	(2,907)	3,016
Accounts payable and accrued liabilities	20,681	(308,364)
Deferred contributions	<u>(29,158)</u>	<u>(30,043)</u>
 <b>INCREASE (DECREASE) IN CASH</b>	 24,039	 (69,760)
 <b>CASH, BEGINNING OF THE YEAR</b>	 <u>179,659</u>	 <u>249,419</u>
 <b>CASH, END OF THE YEAR</b>	 <u>\$ 203,698</u>	 <u>\$ 179,659</u>

(See accompanying notes)

**VETERINARIANS WITHOUT BORDERS/  
VÉTÉRINAIRES SANS FRONTIÈRES**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2019**

**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.

**VETERINARIANS WITHOUT BORDERS/  
VÉTÉRINAIRES SANS FRONTIÈRES**  
**NOTES TO FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2019**

**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.

*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. At March 31, 2019, the Organization did not have any financial instruments that were denominated in a currency other than the Canadian dollar.

*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.



**VETERINARIANS WITHOUT BORDERS/  
VÉTÉRINAIRES SANS FRONTIÈRES**  
**NOTES TO FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2019**

**4. CREDIT FACILITIES**

The Organization has approved credit line facilities available in the amount of \$50,000, bearing interest at 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>2019</u>	<u>2018</u>
Opening balance	\$ 52,859	\$ 82,902
Receivable from prior year	-	(160,002)
Received in the year (net)	934,527	1,115,316
Recognized in the year	(971,620)	(985,357)
Reclassified as accounts receivable	<u>7,935</u>	<u>-</u>
Ending balance	<u>\$ 23,701</u>	<u>\$ 52,859</u>

**6. PROJECT EXPENSES**

	<u>2019</u>	<u>2018</u>
Volunteer MLA	\$ 272,610	\$ 213,322
Airfare	119,337	90,227
Training	45,407	15,265
Local salaries	39,758	62,060
Medical	37,121	37,642
Travel	36,555	35,149
Professional fees	23,147	41,841
Per diem	11,949	18,579
General	8,405	13,919
Accommodation	7,603	21,215
Consultants	4,200	13,416
Equipment and supplies	2,778	6,048
Office	2,087	752
Administration	1,974	-
Communications	<u>461</u>	<u>1,055</u>
	<u>\$ 613,392</u>	<u>\$ 570,490</u>

**7. OFFICE EXPENSES**

	<u>2019</u>	<u>2018</u>
Rent	\$ 4,700	\$ 34,547
Communications	23,397	22,674
General	27,414	11,347
Other Expenses	-	8,104
Communication consultant	19,684	5,611
General consultant	9,644	4,593
Equipment and supplies	6,769	3,569
Registration Fees	<u>910</u>	<u>-</u>
	<u>\$ 92,518</u>	<u>\$ 90,445</u>

**VETERINARIANS WITHOUT BORDERS/  
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**NOTES TO FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2019**

**8. LEASE COMMITMENT**

The Organization has an operating lease for office space which expires February 28, 2020.

The annual lease payments, including operating costs and taxes, are approximately \$5,122.

**9. ECONOMIC DEPENDENCE**

The Organization derives a majority of its revenues from Global Affairs Canada. During the year, this agency accounted for 84% (2018 - 87%) of revenue, excluding in-kind donations.

VETERINARIANS WITHOUT BORDERS/  
VÉTÉRINAIRES SANS FRONTIÈRES

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MARCH 31, 2019

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