

COLLEGE OF VETERINARIANS OF ONTARIO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

COLLEGE OF VETERINARIANS OF ONTARIO

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INDEPENDENT AUDITOR'S REPORT

To the Council of: College of Veterinarians of Ontario

Opinion

We have audited the accompanying financial statements of the College of Veterinarians of Ontario, which comprise the statement of financial position as at September 30, 2024 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College of Veterinarians of Ontario as at September 30, 2024 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 of 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 are independent of the College of Veterinarians of Ontario in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 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 College's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College'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 judgement 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 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 College'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 College'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 College 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.



Guelph, Ontario
December 4, 2024

Chartered Professional Accountants
Licensed Public Accountants

COLLEGE OF VETERINARIANS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 518,261	\$ 225,493
Investments (note 4)	4,623,338	5,464,018
Accounts receivable	61,202	13,640
HST receivable	180,954	45,525
Prepaid expenses	<u>152,604</u>	<u>213,419</u>
	5,536,359	5,962,095
TANGIBLE CAPITAL ASSETS (note 5)	<u>1,566,032</u>	<u>1,768,603</u>
	<u>\$ 7,102,391</u>	<u>\$ 7,730,698</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ <u>628,203</u>	\$ <u>793,641</u>
NET ASSETS		
INVESTED IN TANGIBLE CAPITAL ASSETS	1,566,032	1,768,603
UNRESTRICTED	<u>4,908,156</u>	<u>5,168,454</u>
	<u>6,474,188</u>	<u>6,937,057</u>
	<u>\$ 7,102,391</u>	<u>\$ 7,730,698</u>

COLLEGE OF VETERINARIANS OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Invested in Tangible Capital Assets	Unrestricted	2024	2023
NET ASSETS, beginning of year	\$ 1,768,603	\$ 5,168,454	\$ 6,937,057	\$ 7,343,525
Deficit of revenue over expenses for the year	<u>(202,571)</u>	<u>(260,298)</u>	<u>(462,869)</u>	<u>(406,468)</u>
NET ASSETS, end of year	<u><u>\$ 1,566,032</u></u>	<u><u>\$ 4,908,156</u></u>	<u><u>\$ 6,474,188</u></u>	<u><u>\$ 6,937,057</u></u>

COLLEGE OF VETERINARIANS OF ONTARIO
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024	2023 (note 8)
REVENUES		
Registration fees	\$ 6,112,665	\$ 5,927,401
Accreditation fees	275,420	132,811
Penalties and other	245,393	101,269
Interest income	236,834	227,237
Corporation fees	193,124	193,900
Application and examination fees	<u>125,876</u>	<u>127,189</u>
	<u>7,189,312</u>	<u>6,709,807</u>
EXPENSES		
Salaries	3,544,978	2,998,333
Legal	689,251	1,048,366
Special projects	632,626	201,553
Office facilities	511,579	460,693
Council and committees	465,763	473,284
Information management system	446,930	479,385
Amortization	202,571	185,960
Interest and bank charges	186,857	174,876
Investigations and hearings	157,551	170,928
Insurance	146,252	111,389
Communication	130,281	64,986
Networking and representation	127,520	111,918
Quality assurance	100,359	62,494
Exam administration	85,897	143,662
Premises inspections	82,937	71,606
Office	67,887	77,357
Accounting and audit	45,100	55,820
Policy development	14,447	196,367
Professional health program	<u>13,395</u>	<u>27,298</u>
	<u>7,652,181</u>	<u>7,116,275</u>
DEFICIT OF REVENUE OVER EXPENSES for the year	\$ <u>(462,869)</u>	\$ <u>(406,468)</u>

COLLEGE OF VETERINARIANS OF ONTARIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	2024	2023
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Deficit of revenue over expenses for the year	\$ (462,869)	\$ (406,468)
Items not requiring an outlay of cash		
Amortization	<u>202,571</u>	<u>185,960</u>
	(260,298)	(220,508)
Changes in non-cash working capital		
Accounts receivable	(47,562)	16,879
HST receivable	(135,429)	(11,428)
Prepaid expenses	60,815	49,764
Accounts payable and accrued liabilities	(165,438)	299,035
Deferred income	<u>0</u>	<u>(18,396)</u>
	<u>(547,912)</u>	<u>115,346</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to tangible capital assets	0	(1,785,489)
Purchase of investments	(2,870,025)	(3,920,000)
Withdrawals from investments	<u>3,710,705</u>	<u>5,560,835</u>
	<u>840,680</u>	<u>(144,654)</u>
NET INCREASE (DECREASE) IN CASH	292,768	(29,308)
NET CASH, BEGINNING OF YEAR	<u>225,493</u>	<u>254,801</u>
NET CASH, END OF YEAR	<u>\$ 518,261</u>	<u>\$ 225,493</u>

COLLEGE OF VETERINARIANS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. NATURE OF OPERATIONS

The College of Veterinarians of Ontario (the College) was established in 1874 and incorporated on March 11, 1879 under The Veterinarians Act of the Province of Ontario and continued under The Veterinarians Act, 1989, proclaimed April 4, 1990.

The College protects and serves the public interest through the regulation of the practice of veterinary medicine. Accordingly, veterinarians are licensed, facilities are accredited, standards and policies are developed and maintained, and an investigations and resolutions process is available. The College licenses more than 5,300 veterinarians and accredits over 2,300 veterinary facilities in Ontario.

The College is exempt from income taxes as a not-for-profit organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) REVENUE RECOGNITION

The College 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.

Registration fees and corporate registration fees, which are non-refundable, are recognized as revenue in the year the licence is renewed.

Premises inspection fees are recognized in the year that the annual accreditation fee is paid.

Application fees are recognized when received and examination fees are recognized in the period the exam takes place. Penalties and recovered costs are recognized in the period received.

Interest and other revenue is recognized when earned.

(b) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and fixtures	- 10	years straight line basis
Office equipment	- 3	years straight line basis
Leasehold improvements	- 15	years straight line over lease term

(c) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

COLLEGE OF VETERINARIANS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include useful life of capital assets and accrued liabilities. Actual results could differ from those estimates.

(e) FINANCIAL INSTRUMENTS

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

The College subsequently measures all its financial assets and financial liabilities at amortized cost, unless otherwise noted below.

Investments in equity instruments that are quoted in an active market are measured at fair value. Changes in fair value are recognized in revenue.

Impairment

For financial assets measured at cost or amortized cost, the College determines whether there are indications of possible impairment. When there are, and the College determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than 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 income.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(f) LEASES

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are amortized on a straight-line basis over the term of the lease to rental expense. At the inception of a capital lease, an asset and obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

COLLEGE OF VETERINARIANS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from its financial instruments.

The extent of the College's exposure to these risks did not change in 2024 compared to the previous period.

The College does not have a significant exposure to any individual customer or counterpart.

Market risk

Market risk is the risk that the fair value or future cash flows of the College's financial instruments will fluctuate because of changes in market prices. Some of the College's financial instruments expose it to this risk, which comprises of interest rate risk.

Interest rate 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 College is exposed to interest rate risk on its investment savings accounts which have a floating interest rate.

4. INVESTMENTS

	2024	2023
Guaranteed investment certificates at face value with interest rates of 0.80% to 4.90% (2023 - 0.65% to 5.05%) with maturity dates up to December 2027	\$ 3,577,531	\$ 4,349,331
Investment savings accounts	969,853	1,026,396
Accrued interest	<u>75,954</u>	<u>88,291</u>
	<u>\$ 4,623,338</u>	<u>\$ 5,464,018</u>

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2024	Net 2023
Furniture and fixtures	\$ 39,377	\$ 35,442	\$ 3,935	\$ 7,873
Office equipment	231,439	189,902	41,537	123,204
Leasehold improvements	<u>1,754,492</u>	<u>233,932</u>	<u>1,520,560</u>	<u>1,637,526</u>
	<u>\$ 2,025,308</u>	<u>\$ 459,276</u>	<u>\$ 1,566,032</u>	<u>\$ 1,768,603</u>

COLLEGE OF VETERINARIANS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

6. COMMITMENTS

The College has entered into a fifteen-year lease for office space at 71 Hanlon Creek Blvd. in Guelph Ontario starting December 1, 2022. The College's obligations per fiscal year under this operating lease are as follows:

2025	\$ 474,586
2026	474,586
2027	474,586
2028	499,066
2029	507,226
Thereafter	<u>3,807,948</u>
	<u>\$ 6,237,998</u>

7. DISCIPLINARY COST ORDERS

As of year end, the College has \$1,016,910 (2023 - \$725,911) in disciplinary cost orders. These cost orders are disciplinary receivables owed to the College by members who have been instructed to pay the College these funds for offences committed in their professional role. These receivables have not been recorded by the College as the amount and collection is uncertain, but will be recognized as revenue in the period received.

8. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.