

**COLLEGE OF VETERINARIANS OF ONTARIO**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**COLLEGE OF VETERINARIANS OF ONTARIO**  
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**YEAR ENDED SEPTEMBER 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

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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, 2023 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, 2023 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.

**Predecessor auditor**

The financial statements of the College for the year ended September 30, 2022 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on December 7, 2022.

**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 6, 2023



Chartered Professional Accountants  
Licensed Public Accountants

COLLEGE OF VETERINARIANS OF ONTARIO  
 STATEMENT OF FINANCIAL POSITION  
 AS AT SEPTEMBER 30, 2023

	2023	2022 (note 8)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 225,493	\$ 254,801
Investments (note 4)	5,464,018	7,104,853
Accounts receivable	59,165	64,616
Prepaid expenses	<u>213,419</u>	<u>263,183</u>
	5,962,095	7,687,453
<b>TANGIBLE CAPITAL ASSETS (note 5)</b>	<u>1,768,603</u>	<u>169,074</u>
	<u>\$ 7,730,698</u>	<u>\$ 7,856,527</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 793,641	\$ 494,606
Deferred income	<u>0</u>	<u>18,396</u>
	<u>793,641</u>	<u>513,002</u>
<b>NET ASSETS</b>		
<b>INVESTED IN TANGIBLE CAPITAL ASSETS</b>	1,768,603	169,074
<b>UNRESTRICTED</b>	<u>5,168,454</u>	<u>7,174,451</u>
	<u>6,937,057</u>	<u>7,343,525</u>
	<u>\$ 7,730,698</u>	<u>\$ 7,856,527</u>

COLLEGE OF VETERINARIANS OF ONTARIO  
 STATEMENT OF CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Invested in Tangible Capital Assets	Unrestricted	2023	2022 (note 8)
<b>NET ASSETS, beginning of year</b>	\$ 169,074	\$ 7,174,451	\$ 7,343,525	\$ 4,611,504
(Deficit) excess revenues over expenses for the year	(185,960)	(220,508)	(406,468)	2,732,021
Invested in tangible capital assets	<u>1,785,489</u>	<u>(1,785,489)</u>	<u>0</u>	<u>0</u>
<b>NET ASSETS, end of year</b>	<u>\$ 1,768,603</u>	<u>\$ 5,168,454</u>	<u>\$ 6,937,057</u>	<u>\$ 7,343,525</u>

COLLEGE OF VETERINARIANS OF ONTARIO  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022 (note 8)
<b>REVENUES</b>		
Registration fees	\$ 5,927,401	\$ 5,323,080
Interest income	227,237	100,976
Corporation fees	193,900	197,200
Accreditation fees	132,811	233,333
Application and examination fees	127,189	128,429
Penalties and other	101,269	60,243
	<u>6,709,807</u>	<u>6,043,261</u>
<b>EXPENSES</b>		
Salaries	3,033,662	2,803,531
Legal	1,048,366	821,858
Information management system	479,385	296,193
Council and committees	473,284	439,883
Office facilities	460,693	216,937
Special projects	201,553	161,025
Policy development	196,367	103,082
Amortization	185,960	106,459
Interest and bank charges	174,876	172,479
Investigations and hearings	170,928	66,044
Exam administration	143,662	52,706
Insurance	111,389	103,214
Office	77,357	62,634
Networking and representation	76,589	45,971
Premises inspections	71,606	85,348
Communication	64,986	55,517
Quality assurance	62,494	33,779
Accounting and audit	55,820	42,000
Professional health program	27,298	40,618
	<u>7,116,275</u>	<u>5,709,278</u>
<b>(DEFICIT) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>(406,468)</u>	<u>333,983</u>
<b>GAIN ON SALE OF LAND AND BUILDING</b>	<u>0</u>	<u>2,398,038</u>
<b>(DEFICIT) EXCESS REVENUES OVER EXPENSES for the year</b>	<u>\$ (406,468)</u>	<u>\$ 2,732,021</u>

**COLLEGE OF VETERINARIANS OF ONTARIO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>2023</b>	<b>2022</b> (note 8)
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
(Deficit) excess of revenues over expenses for the year	\$ (406,468)	\$ 2,732,021
Items not requiring an outlay of cash		
Amortization	185,960	106,459
Gain on sale of land and building	<u>0</u>	<u>(2,398,038)</u>
	(220,508)	440,442
Changes in non-cash working capital		
Accounts receivable	5,451	9,911
Prepaid expenses	49,764	(117,285)
Accounts payable and accrued liabilities	299,035	89,310
Deferred income	<u>(18,396)</u>	<u>(18,396)</u>
	<u>115,346</u>	<u>403,982</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Additions to tangible capital assets	(1,785,489)	(83,149)
Purchase of investments	(3,920,000)	(6,598,926)
Withdrawals from investments	5,560,835	3,029,425
Net proceeds on sale of land and building	<u>0</u>	<u>3,040,000</u>
	<u>(144,654)</u>	<u>(612,650)</u>
<b>NET DECREASE IN CASH</b>	(29,308)	(208,668)
<b>NET CASH, BEGINNING OF YEAR</b>	<u>254,801</u>	<u>463,469</u>
<b>NET CASH, END OF YEAR</b>	<u>\$ 225,493</u>	<u>\$ 254,801</u>



**COLLEGE OF VETERINARIANS OF ONTARIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**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 period that the inspection takes place.

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, 2023

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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, 2023**

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**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 2023 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**

	<b>2023</b>	<b>2022</b>
Guaranteed investment certificates at face value with interest rates of 0.65% to 5.05% (2022 - 0.6% to 3.47%) with maturity dates up to December 2027	\$ 4,349,331	\$ 4,887,331
Investment savings accounts	1,026,396	2,153,102
Accrued interest	<u>88,291</u>	<u>64,420</u>
	<u>\$ 5,464,018</u>	<u>\$ 7,104,853</u>

**5. TANGIBLE CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2023</b>	<b>Net 2022</b>
Furniture and fixtures	\$ 39,377	\$ 31,504	\$ 7,873	\$ 11,809
Office equipment	231,439	108,235	123,204	63,650
Leasehold improvements	<u>1,754,492</u>	<u>116,966</u>	<u>1,637,526</u>	<u>93,615</u>
	<u>\$ 2,025,308</u>	<u>\$ 256,705</u>	<u>\$ 1,768,603</u>	<u>\$ 169,074</u>

COLLEGE OF VETERINARIANS OF ONTARIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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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:

2024	\$ 474,586
2025	474,586
2026	474,586
2027	474,586
2028	499,066
Thereafter	<u>4,315,174</u>
	<u>\$ 6,712,584</u>

7. DISCIPLINARY COST ORDERS

As of year end, the College has \$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. PRIOR PERIOD ADJUSTMENT

An adjustment was made to the prior year figures to record the staff payroll accruals in the correct fiscal years. The fiscal 2022 payroll accrual of \$140,327 and fiscal 2021 payroll accrual of \$86,033 had been recorded as an expense when paid instead of in the fiscal year to which they relate. The results of the correction was an increase in the prior year accounts payable and accrued liabilities of \$140,327, a decrease in the opening unrestricted fund of \$86,033 and an increase in the salaries expense of \$54,294.