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CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
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YEAR ENDED DECEMBER 31, 2017

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Chartered Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Directors of Canadian Golden Retriever Adoption Service Inc.

We have audited the accompanying financial statements of Canadian Golden Retriever Adoption Service Inc., which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

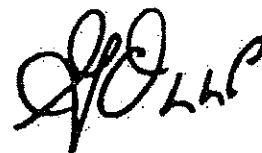
In common with many not-for-profit organizations, Canadian Golden Retriever Adoption Service Inc. derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Canadian Golden Retriever Adoption Service Inc. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2017, current assets and net assets as at December 31, 2017.

We were not able to observe the counting of physical inventory at the end of the year nor were we able to satisfy ourselves by alternative means concerning the inventory quantities held as at December 31, 2017 which are stated in the Statement of Financial Position. As a result of this matter, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories, and the elements making up the Statement of Operations and Net Assets and Cash Flows.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Golden Retriever Adoption Service Inc. as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario
May 24, 2018



Chartered Professional Accountants
Licensed Public Accountants

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

	2017	2016
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	213,901	172,737
Investment (Note 2)	43,048	42,416
Accounts receivable	34,323	47,254
HST recoverable	19,758	21,081
Inventory (Note 3)	58,048	65,988
Prepaid expenses	-	1,260
	369,078	350,736
EQUIPMENT (Note 4)	-	198
	369,078	350,934
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	21,286	17,800
NET ASSETS		
UNRESTRICTED NET ASSETS	347,792	333,134
	369,078	350,934

ON BEHALF OF THE BOARD

Sharon B. Kelly Director

See notes to financial statements

May 24/18

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2017

	2017	2016
	\$	\$
REVENUE		
Donations	289,735	317,157
Lottery	114,772	57,594
Adoption fees	99,350	126,460
General store	18,600	15,411
Special events	47,753	17,200
Silent auctions	8,135	-
Coffee table book and cook book fundraisers	548	2,359
Subscriptions	4,040	4,170
Interest income	824	1,899
Intake fees	(80)	850
	583,677	543,100
EXPENSES		
Administration expenses	19,602	25,765
Amortization	198	85
Fundraising	33,483	22,134
Insurance	3,756	3,716
Interest and bank charges	5,890	4,593
Newsletter and printing	12,663	11,624
Professional fees	12,950	11,331
Telephone	2,258	2,491
Travel and truck operating	499	3,583
Veterinary fees and dog supplies	474,407	836,785
Website	3,313	-
	569,019	922,107
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	14,658	(379,007)

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017

	2017	2016
	\$	\$
NET ASSETS - BEGINNING OF YEAR	333,134	712,141
EXCESS OF REVENUE OVER EXPENSES	14,658	(379,007)
NET ASSETS - END OF YEAR	347,792	333,134

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	14,658	(379,007)
Item not affecting cash:		
Amortization	198	85
	14,856	(378,922)
Changes in non-cash working capital:		
Accounts receivable	12,931	(32,606)
HST recoverable	1,323	4,200
Inventory	7,940	3,588
Accounts payable and accrued liabilities	3,486	(1,569)
Prepaid expenses	1,260	(1,260)
	26,940	(27,647)
INCREASE (DECREASE) IN CASH FLOW	41,796	(406,569)
Cash - beginning of year	215,153	621,722
CASH - END OF YEAR	256,949	215,153
CASH CONSISTS OF:		
Cash and cash equivalents	213,901	172,737
Investment	43,048	42,416
	256,949	215,153

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

PURPOSE OF THE ORGANIZATION

Canadian Golden Retriever Adoption Service Inc. ("The Organization") was created on September 27, 1999 by Letters Patent under the Canada Corporations Act as a not-for-profit corporation without share capital. The Organization's objective is to rescue and re-home displace Golden Retrievers, and to educate the public, in general, about pet ownership.

For Canadian income tax purposes, Canadian Golden Retriever Adoption Service Inc. qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

(a) Revenue recognition

Canadian Golden Retriever Adoption Service Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Revenue on the sale of its products is recognized when they are delivered, title has passed, customer acceptance has occurred, there is persuasive evidence that an arrangement exists, the price is fixed and determinable, and the ultimate collection is reasonably assured.

Revenue from lotteries is recognized once approval for the lottery is received from the municipality.

Adoption fee revenue is recognized when the signed adoption agreement is received from the foster parent.

All other revenue is recognized as earned.

(b) Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price less estimated costs to sell in the ordinary course of business.

(c) Equipment

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Motor vehicles	30%	diminishing balance method
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(d) Expenses

Expenses are recorded on the accrual method.

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CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments

Investments are purchased to be held to maturity and accordingly are recorded at cost plus accrued interest, calculated using the effective interest rate method.

(f) Contributed services

The Organization receives a substantial amount of services and materials donated by citizens interested in the programs. These invaluable services and materials are not recorded in these financial statements due to the difficulty in determining their fair value. However, when the value of these items and services is ascertainable, the amounts thereof are reflected in the financial statements as revenue and expenses.

(g) Measurement uncertainty

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 reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The assets and liabilities which require management to make significant estimates and assumptions in determining carrying values include accounts receivable, useful life of equipment and accounts payable.

(h) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at amortized cost include accounts payable. The Organization has not designated any financial asset or liability to be measured at fair value.

2. INVESTMENT

The investments consist of a non-redeemable Guaranteed Investment Certificate maturing March 22, 2019 bearing interest at 2.00% .

3. INVENTORY

Inventory as at December 31, 2017 consists of finished goods. The total value of inventory expensed to fundraising expenditures for the year was \$nil (2016 - \$3,588). There was no amount of inventory write-downs recognized in the year (2016 - \$nil).

4. EQUIPMENT

	Cost \$	Accumulated amortization \$	2017 Net book value \$	2016 Net book value \$
Motor vehicles	16,845	16,845	-	198

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

5. REMUNERATION OF DIRECTORS

No remuneration was paid to directors and officers during the year and they had no interest in any transactions of the corporation

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2017.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

The Organization's exposure to liquidity risk is dependent on the collection of accounts receivable and raising of funds to meet commitments and sustain operations. The Organization controls liquidity risk by performing fundraising activities and management of working capital and cash flows. In the opinion of management the liquidity risk exposure to the Organization is low and is not material. This risk is unchanged from prior year. There were no concentration risks in the liquidity risk.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.