

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
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YEAR ENDED DECEMBER 31, 2019

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Chartered Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Golden Retriever Adoption Service Inc.

Qualified Opinion

We have audited the financial statements of Canadian Golden Retriever Adoption Service Inc. (the Organization), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters 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, 2019, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization 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 the Organization. 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, 2019, current assets and net assets as at December 31, 2019.

We were not able to observe the counting of physical inventories at the end of the year nor satisfy ourselves concerning those inventory quantities by alternative means. Since ending inventories enter into the determination of the results of its operations and cash flow, we were unable to determine whether adjustments to excess of revenues over expenses and cash flows from operations might be necessary.

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 other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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

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Independent Auditor's Report to the Members of Canadian Golden Retriever Adoption Service Inc. *(continued)*

as a going concern, disclosing, as applicable, matters relating 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.

Toronto, Ontario
October 16, 2020



Chartered Professional Accountants
Licensed Public Accountants

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	2019	2018
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	14,951	107,179
Investment	40,740	43,909
Accounts receivable	25,797	30,878
Inventory	60,701	60,766
Harmonized sales tax recoverable	26,669	23,286
Prepaid expenses	-	5,559
	168,858	271,577
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	40,302	33,384
NET ASSETS	128,556	238,193
	168,858	271,577

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See Accompanying Notes

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2019**

	2019	2018
	\$	\$
REVENUE		
Donations	329,604	242,304
Lottery	104,084	30,212
Adoption fees	242,200	148,930
General store	20,691	24,147
Special events	68,601	72,549
Silent auctions	6,445	8,390
Coffee table book and cook book fundraisers	98	378
Subscriptions	3,450	3,090
Interest income	742	883
Intake fees	1,000	650
	776,915	531,533
EXPENSES		
Administration expenses	31,194	20,374
Fundraising	20,453	29,034
Insurance	2,532	2,496
Interest and bank charges	6,052	6,185
Newsletter and printing	9,604	9,168
Professional fees	19,378	17,143
Telephone	3,297	2,173
Veterinary fees and dog supplies	787,609	540,869
Website	6,434	13,688
	886,553	641,130
DEFICIENCY OF REVENUE OVER EXPENSES	(109,638)	(109,597)

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	2019	2018
	\$	\$
NET ASSETS - BEGINNING OF YEAR	238,194	347,791
DEFICIENCY OF REVENUE OVER EXPENSES	(109,638)	(109,597)
NET ASSETS - END OF YEAR	128,556	238,194

See Accompanying Notes

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2019

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	(109,638)	(109,597)
Changes in non-cash working capital:		
Accounts receivable	5,081	3,445
HST recoverable	(3,383)	(3,528)
Inventory	65	(2,718)
Accounts payable and accrued liabilities	6,919	12,096
Prepaid expenses	5,559	(5,559)
	14,241	3,736
DECREASE IN CASH FLOW	(95,397)	(105,861)
Cash - beginning of year	151,088	256,949
CASH - END OF YEAR	55,691	151,088
CASH CONSISTS OF:		
Cash and cash equivalents	14,951	107,179
Investment	40,740	43,909
	55,691	151,088

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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 (ASNFPPO) 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) Expenses

Expenses are recorded on the accrual method.

(d) 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.

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CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) 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.

(f) 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.

(g) 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 23, 2020 bearing interest at 2.37% .

3. INVENTORY

Inventory as at December 31, 2019 consists of finished goods. The total value of inventory expensed to fundraising expenditures for the year was \$nil (2018 - \$nil). There was no amount of inventory write-downs recognized in the year (2018 - \$nil).

4. 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

5. 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, 2019.

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CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

5. FINANCIAL INSTRUMENTS *(continued)*

(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.

6. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. This presents uncertainty regarding the Organization's future cash flows. The impact of physical distancing may significantly impact certain services offered by the Organization and its future operations. An estimate of the financial impact of the pandemic on these financial statements is not practicable and therefore no adjustments related thereto have been made.