

**CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**  
**INDEX TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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Chartered Professional  
Accountants

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## INDEPENDENT AUDITOR'S REPORT

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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, 2020, and the statements of operations, 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, 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, 2020, 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 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, 2020, current assets and net assets as at December 31, 2020.

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  
June 17, 2021



Chartered Professional Accountants  
Licensed Public Accountants

**CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

|  | <b>2020</b>    | <b>2019</b>    |
|--|----------------|----------------|
|  | <b>\$</b>      | <b>\$</b>      |
| <b>ASSETS</b>                            |                |                |
| <b>CURRENT</b>                           |                |                |
| Cash and cash equivalents                | 206,966        | 14,951         |
| Investment                               | 40,471         | 40,740         |
| Accounts receivable                      | 15,194         | 25,797         |
| Inventory                                | 62,564         | 60,701         |
| Harmonized sales tax recoverable         | 21,596         | 26,669         |
|  | <b>346,791</b> | <b>168,858</b> |
| <b>LIABILITIES</b>                       |                |                |
| <b>CURRENT</b>                           |                |                |
| Accounts payable and accrued liabilities | 49,422         | 40,302         |
| <b>NET ASSETS</b>                        | <b>297,369</b> | <b>128,556</b> |
|  | <b>346,791</b> | <b>168,858</b> |

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

See notes to financial statements

**CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2020**

|   | 2020           | 2019             |
|---|----------------|------------------|
|   | \$             | \$               |
| <b>REVENUE</b>                                      |                |                  |
| Donations   | 502,032        | 329,604          |
| Lottery   | 104,807        | 104,084          |
| Adoption fees                                       | 149,650        | 242,200          |
| General store                                       | 21,026         | 20,691           |
| Special events                                      | 7,053          | 68,601           |
| Silent auctions                                     | 30,349         | 6,445            |
| Coffee table book and cook book fundraisers         | 426            | 98               |
| Subscriptions                                       | 3,545          | 3,450            |
| Interest income                                     | 688            | 742              |
| Intake fees   | 2,777          | 1,000            |
|   | <b>822,353</b> | <b>776,915</b>   |
| <b>EXPENSES</b>                                     |                |                  |
| Administration expenses                             | 37,599         | 31,194           |
| Fundraising   | 8,593          | 20,453           |
| Insurance   | 2,561          | 2,532            |
| Interest and bank charges                           | 8,213          | 6,052            |
| Newsletter and printing                             | 6,519          | 9,604            |
| Professional fees                                   | 20,245         | 19,378           |
| Telephone   | 3,656          | 3,297            |
| Veterinary fees and dog supplies                    | 562,194        | 787,609          |
| Website   | 3,960          | 6,434            |
|   | <b>653,540</b> | <b>886,553</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b> | <b>168,813</b> | <b>(109,638)</b> |

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2020**

|  | 2020           | 2019             |
|--|----------------|------------------|
|  | \$             | \$               |
| <b>NET ASSETS - BEGINNING OF YEAR</b>  | <b>128,556</b> | <b>238,194</b>   |
| <b>EXCESS OF REVENUE OVER EXPENSES</b> | <b>168,813</b> | <b>(109,638)</b> |
| <b>NET ASSETS - END OF YEAR</b>        | <b>297,369</b> | <b>128,556</b>   |

**CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2020**

|  | 2020           | 2019      |
|--|----------------|-----------|
|  | \$             | \$        |
| <b>OPERATING ACTIVITIES</b>                  |                |           |
| excess (deficiency) of revenue over expenses | <b>168,813</b> | (109,638) |
| Changes in non-cash working capital:         |                |           |
| Accounts receivable                          | <b>10,603</b>  | 5,081     |
| Inventory                                    | <b>(1,863)</b> | 65        |
| Prepaid expenses                             | -              | 5,559     |
| Accounts payable and accrued liabilities     | <b>9,120</b>   | 6,919     |
| Harmonized sales tax payable                 | <b>5,073</b>   | (3,383)   |
|  | <b>22,933</b>  | 14,241    |
| <b>INCREASE (DECREASE) IN CASH FLOW</b>      | <b>191,746</b> | (95,397)  |
| Cash - beginning of year                     | <b>55,691</b>  | 151,088   |
| <b>CASH - END OF YEAR</b>                    | <b>247,437</b> | 55,691    |

**CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**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 displaced 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 (ASNFP) 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.

**(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.

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**CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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

**(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.

The impact of COVID-19 resulted in the application of further judgment within the specific estimates identified above. Given the dynamic and evolving nature of COVID-19, and limited recent experience of the economic and financial impacts of such a pandemic, changes to the estimates and outcomes that have been applied in the measurement of the assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of the events that arise after the reported period will be accounted for in future accounting periods.

**(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 24, 2021 bearing interest at 1.52% .

**3. INVENTORY**

Inventory as at December 31, 2020 consists of finished goods. The total value of inventory expensed to fundraising expenditures for the year was \$nil (2019 - \$nil). There was no amount of inventory write-downs recognized in the year (2019 - \$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

**CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**5. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at the date of the statement of financial position:

***(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.

**6. FINANCIAL IMPACT OF THE NOVEL CORONAVIRUS (COVID-19)**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at June 17, 2021, the Organization is aware of changes in its operations as a result of the COVID-19 crisis.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Organization's operations as at the date of these financial statements.