

ADOPT4LIFE
Financial Statements
March 31, 2018



121 Anne Street South *partners, principals & associates*
 Barrie, ON L4N 7B6 S.A. MacKay, CPA, CA* C.P. Hummel, CPA, CA* C.E. Gattrell, CPA, CA
 p 705.728.7461 A.D. Priest, CPA, CA* L.D. Jones, CPA, CA* C.M. Van Niekerk, CPA, CA
 f 705.728.8317 G.N. Ferguson, CPA, CA* D.P. Edward, CPA, CA* W.A. Watson, CPA, CA
 tf 888.828.7461 K.D. Smith, CPA, CA* S.E. Wilson, CPA, CA*
 www.powelljones.ca T.M. Pearce, CPA, CA* H.P. Rastas, CPA, CA * Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Adopt4Life

We have audited the accompanying financial statements of Adopt4Life, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Adopt4Life as at March 31, 2018 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.

Powell Jones LLP

September 25, 2018

Chartered Professional Accountants
Licensed Public Accountants

ADOPT4LIFE
Statement of Financial Position
March 31, 2018

	2018 \$	2017 \$
ASSETS		
CURRENT		
Cash	48,707	34,937
Accounts receivable	228	192
HST recoverable	8,019	3,887
Prepaid expenses	2,521	7,122
	<u>59,475</u>	<u>46,138</u>
CAPITAL ASSETS (Note 3)	<u>4,323</u>	<u>6,176</u>
	<u>63,798</u>	<u>52,314</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	56,628	17,564
Government remittances payable	-	6,820
Due to the Ministry of Children and Youth Services (Note 4)	-	14,533
	<u>56,628</u>	<u>38,917</u>
NET ASSETS	<u>7,170</u>	<u>13,397</u>
	<u>63,798</u>	<u>52,314</u>

APPROVED ON BEHALF OF THE BOARD

DocuSigned by:

Tedd Konya

Director

DocuSigned by:

A

Director

98A813DD0DA540C...

ADOPT4LIFE
Statement of Operations
Year Ended March 31, 2018

	2018 \$	2017 \$
REVENUES		
Ministry of Children and Youth Services <i>(Note 4)</i>	493,896	241,244
Donations and contributions	361	500
	<u>494,257</u>	<u>241,744</u>
EXPENDITURES		
Advertising and public relations	27,580	20,300
Amortization	1,853	592
Computer	4,834	1,923
Insurance	1,935	815
Office and general	1,147	713
Professional services	42,861	15,555
Programs	2,500	6,635
Regional support	3,458	-
Salaries and benefits	362,330	161,655
Telephone	8,515	2,737
Training	11,316	9,176
Travel and meetings	21,251	6,362
Website	10,904	1,884
	<u>500,484</u>	<u>228,347</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,227)</u>	<u>13,397</u>

ADOPT4LIFE
Statement of Changes in Net Assets
Year Ended March 31, 2018

	2018	2017
	\$	\$
NET ASSETS - BEGINNING OF YEAR	13,397	-
Excess (deficiency) of revenues over expenditures	<u>(6,227)</u>	<u>13,397</u>
NET ASSETS - END OF YEAR	<u>7,170</u>	<u>13,397</u>

ADOPT4LIFE
Statement of Cash Flows
Year Ended March 31, 2018

	2018 \$	2017 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	(6,227)	13,397
Item not affecting cash:		
Amortization of capital assets	1,853	592
	<u>(4,374)</u>	<u>13,989</u>
Changes in non-cash working capital:		
Accounts receivable	(36)	(192)
HST recoverable	(4,132)	(3,887)
Prepaid expenses	4,601	(7,122)
Accounts payable and accrued liabilities	39,064	17,564
Government remittances payable	(6,820)	6,820
Due to the Ministry of Children and Youth Services	(14,533)	14,533
	<u>18,144</u>	<u>27,716</u>
Cash flow from operating activities	<u>13,770</u>	<u>41,705</u>
INVESTING ACTIVITY		
Purchase of capital assets	-	(6,768)
Cash flow used by investing activity	<u>-</u>	<u>(6,768)</u>
INCREASE IN CASH FLOW	13,770	34,937
Cash - beginning of year	<u>34,937</u>	<u>-</u>
CASH - END OF YEAR	<u>48,707</u>	<u>34,937</u>

ADOPT4LIFE
Notes to Financial Statements
For the Year Ended March 31, 2018

1. GENERAL

Adopt4Life was initially incorporated without share capital under the laws of Canada as a not-for-profit organization in August 2011 under the name Deum Foundation. A certificate of amendment was issued July 30, 2015 to change the name of the Organization to Adopt4Life. The principal activity of the Organization is to educate the public and serve as a voice for adoptive families in Ontario through awareness campaigns and to foster community development through peer support programs for adoptive families.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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.

Funding received from the Ministry of Children and Youth Services (MCYS) is recorded as revenue in the statement of operations when received. At each year end, the Organization calculates whether there is an additional amount due to or receivable from MCYS by comparing actual expenditures to approved expenditures. Further adjustments may be required when the MCYS assesses the Organization's year end budget settlement report for a given year. Assessment adjustments are reported in the statement of operations in the fiscal period they occur.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	30%
--------------------	-----

Remuneration of the Board of Directors

Members of the Board of Directors and its committees are volunteers who serve without remuneration.

Income taxes

The Organization is exempt from income taxes by virtue of Section 149(1)(l) of the Income Tax Act (Canada) which specifically excludes not-for-profit organizations.

(continues)

ADOPT4LIFE
Notes to Financial Statements
For the Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the Organization's financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions which 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 for the year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Financial instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and Due to the Ministry of Children and Youth Services.

Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statement of income.

3. CAPITAL ASSETS

	Cost \$	Accumulated amortization \$	2018 Net book value \$	2017 Net book value \$
Computer equipment	6,768	2,445	4,323	6,176

ADOPT4LIFE
Notes to Financial Statements
For the Year Ended March 31, 2018

4. MINISTRY OF CHILDREN AND YOUTH SERVICES (MCYS)

The Organization entered into a funding agreement with the MCYS with total funding of \$494,019 to be received for the year ending March 31, 2018. The purpose of the funding is to provide on-going support for the province-wide Post-Adoption Family Support Program - Parent2Parent Support Network Program. At March 31, 2018, \$493,896 has been received. There were no unspent funds at year end.

Subsequent to the year end the Organization entered into a service contract with the MCYS to cover the period April 1, 2018 to July 31, 2019. Under the terms of the agreement the Organization is to receive \$520,000 in funding up to March 31, 2019 to manage and promote the Parent2Parent Support Network Program.

5. ECONOMIC DEPENDENCE

The majority of the Organization's revenues were received in the form of funding from the MCYS. Should this funding cease, management is of the opinion that continued viable operations would be questionable.

6. FINANCIAL INSTRUMENT RISK

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2018.

(a) Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization meets its liquidity requirements by preparing and monitoring detailed cash flow budgets.

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