

ADOPT4LIFE
Financial Statements
Year Ended March 31, 2019



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INDEPENDENT AUDITOR'S REPORT

To the Members of Adopt4Life

Opinion

We have audited the financial statements of Adopt4Life (the Organization), which comprise the statement of operations as at March 31, 2019, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, 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 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 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 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 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:

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Independent Auditor's Report to the Members of Adopt4Life *(continued)*

- 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.




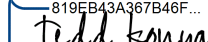
July 23, 2019

Chartered Professional Accountants
Licensed Public Accountants

ADOPT4LIFE
Statement of Operations
March 31, 2019

	2019 \$	2018 \$
ASSETS		
CURRENT		
Cash	8,128	48,707
Accounts receivable	1,168	228
Due from Ministry of Children, Community, and Social Services (Note 4)	52,000	-
HST recoverable	14,024	8,019
Prepaid expenses	2,703	2,521
	78,023	59,475
CAPITAL ASSETS (Note 3)	3,026	4,323
	81,049	63,798
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	60,493	56,628
Government remittances payable	11,513	-
	72,006	56,628
NET ASSETS	9,043	7,170
	81,049	63,798

APPROVED ON BEHALF OF THE BOARD

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 _____ Director
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 _____ Director
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ADOPT4LIFE
Statement of Operations
Year Ended March 31, 2019

	2019	2018
	\$	\$
REVENUES		
Ministry of Children, Community, and Social Services <i>(Note 4)</i>	520,000	493,896
Donations	999	361
	<u>520,999</u>	<u>494,257</u>
EXPENSES		
Advertising and public relations	28,238	27,580
Amortization	1,297	1,853
Computer	2,700	4,834
Insurance	2,834	1,935
Office and general	1,643	1,147
Professional services	40,117	42,861
Programs	-	2,500
Regional support	3,579	3,458
Salaries and benefits	390,624	362,330
Telephone	9,962	8,515
Training	11,319	11,316
Travel and meetings	19,107	21,251
Website	7,706	10,904
	<u>519,126</u>	<u>500,484</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>1,873</u>	<u>(6,227)</u>

ADOPT4LIFE
Statement of Changes in Net Assets
Year Ended March 31, 2019

	2019	2018
	\$	\$
NET ASSETS - BEGINNING OF YEAR	7,170	13,397
Excess (deficiency) of revenues over expenses	<u>1,873</u>	<u>(6,227)</u>
NET ASSETS - END OF YEAR	<u>9,043</u>	<u>7,170</u>

ADOPT4LIFE
Statement of Cash Flows
Year Ended March 31, 2019

	2019 \$	2018 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	1,873	(6,227)
Item not affecting cash:		
Amortization of capital assets	1,297	1,853
	<u>3,170</u>	<u>(4,374)</u>
Changes in non-cash working capital:		
Accounts receivable	(940)	(36)
HST recoverable	(6,005)	(4,132)
Prepaid expenses	(182)	4,601
Accounts payable and accrued liabilities	3,865	39,064
Government remittances payable	11,513	(6,820)
Due from Ministry of Children, Community, and Social Services	<u>(52,000)</u>	<u>(14,533)</u>
	<u>(43,749)</u>	<u>18,144</u>
INCREASE (DECREASE) IN CASH FLOW	(40,579)	13,770
Cash - beginning of year	<u>48,707</u>	<u>34,937</u>
CASH - END OF YEAR	8,128	48,707

ADOPT4LIFE
Notes to Financial Statements
For the Year Ended March 31, 2019

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, Community, and Social Services (MCCSS) 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 MCCSS by comparing actual expenditures to approved expenditures. Further adjustments may be required when the MCCSS 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%
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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.

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ADOPT4LIFE
Notes to Financial Statements
For the Year Ended March 31, 2019

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, accounts receivable and due from the Ministry of Children, Community, and Social Services (MCCSS). Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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 \$	2019 Net book value \$	2018 Net book value \$
Computer equipment	6,768	3,742	3,026	4,323

4. MINISTRY OF CHILDREN, COMMUNITY, AND SOCIAL SERVICES (MCCSS)

The Organization entered into a service contract with the MCCSS to cover the period April 1, 2018 to July 31, 2019. Under the terms of the agreement the Organization was to receive \$520,000 in funding up to March 31, 2019 to manage and promote the Parent2Parent Support Network Program. Of this amount, \$52,000 was still receivable at March 31, 2019.

As of the audit report date, the agreement for the 2020 fiscal year was in progress. Subsequent to year end MCCSS has confirmed that the Organization will receive interim funding. It is management's belief that the 2020 funding agreement will be approved.

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5. ECONOMIC DEPENDENCE

The majority of the Organization's revenues were received in the form of funding from the MCCSS. 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, 2019.

(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.
