

ADOPT4LIFE
FINANCIAL STATEMENTS
MARCH 31, 2017



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

September 26, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members and Board of Directors of
Adopt4Life

Report on the Financial Statements

We have audited the accompanying financial statements of Adopt4Life, which comprise the statement of financial position as at March 31, 2017, and the statement of operations, statement of changes in net assets and statement of 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Adopt4Life as at March 31, 2017, and its financial performance and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Emphasis of Matter

We draw your attention to Note 8 in the financial statements which discloses information regarding comparative figures.

Chartered Professional Accountants
Licensed Public Accountants

ADOPT4LIFE
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

ASSETS

CURRENT

Cash	34,937	
Accounts receivable	192	
HST recoverable	3,887	
Prepaid expenses	<u>7,122</u>	
		46,138

CAPITAL ASSETS, note 4

6,176

52,314

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	17,564	
Government remittances payable	6,820	
Due to the Ministry of Children and Youth Services, note 5	<u>14,533</u>	
		38,917

NET ASSETS

Excess of revenue over expenditures and balance at end of year		<u>13,397</u>
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52,314

APPROVED ON BEHALF OF THE BOARD

DocuSigned by:

9C1C2755EEF44D4... _____ **Director**

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98A813DD0DA540C... _____ **Director**

ADOPT4LIFE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2017

REVENUE

Ministry of Children and Youth Services	241,244	
Donations	<u>500</u>	
		<u>241,744</u>

OPERATING EXPENDITURES

Advertising and public relations	20,300	
Amortization	592	
Computer	1,923	
Insurance	815	
Office and general	713	
Professional services	15,555	
Programs	6,635	
Salaries and benefits	161,655	
Telephone	2,737	
Training	9,176	
Travel and meetings	6,362	
Website	<u>1,884</u>	
		<u>228,347</u>

EXCESS OF REVENUE OVER EXPENDITURES

13,397

"See accompanying notes"

Powell Jones LLP - Chartered Professional Accountants

**ADOPT4LIFE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2017**

OPERATING ACTIVITIES

Excess of revenues over expenditures	13,397
Items not requiring the use of cash	
Amortization	<u>592</u>
	13,989

Net change in non-cash working capital balances
related to operations:

Accounts receivable	(192)
HST recoverable	(3,887)
Prepaid expenses	(7,122)
Accounts payable and accrued liabilities	17,564
Government remittances payable	6,820
Due to the Ministry of Children and Youth Services	<u>14,533</u>

	<u>27,716</u>
Cash from operations	<u>41,705</u>

INVESTING ACTIVITIES

Purchase of capital assets	<u>(6,768)</u>
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INCREASE IN CASH AND CASH AT END OF YEAR	<u><u>34,937</u></u>
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"See accompanying notes"

Powell Jones LLP - Chartered Professional Accountants

ADOPT4LIFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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. Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) 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 the 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.

(c) Capital Assets

Capital assets are stated at cost. Amortization is recorded on the diminishing balance basis using the following annual rates:

Computer equipment	30 %
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(d) Remuneration of the Board of Directors

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

(e) 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.

ADOPT4LIFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

2. Significant Accounting Policies, continued

(f) 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 useful lives of capital assets and estimated amount due to the Ministry of Children and Youth Services. 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.

(g) Financial Instruments

(i) 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 cost include accounts payable and accrued liabilities and Due to the Ministry of Children and Youth Services.

(ii) 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 operations.

3. Financial Instrument Risk

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.

Other identified risks are as follows:

(i) 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.

ADOPT4LIFE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

4. Capital Assets	2017		
	Cost	Accumulated Amortization	Net
Computer equipment	6,768	592	6,176

During the year, capital assets were acquired at an aggregate cost of \$6,768 by means of cash payments.

5. Ministry of Children and Youth Services (MCYS)

The Organization entered into a funding agreement with the MCYS with total funding of \$284,196 to be received for the period September 2016 to March 2017. The purpose of the funding is to develop and support the province-wide Post-Adoption Family Support Program - Parent2Parent Support Network Program. At March 31, 2017, \$255,776 has been received. There was \$14,533 in unspent funds at year end which must be returned to the MCYS. This estimate of amounts owing are included in the amount due to the Ministry of Children and Youth Services.

6. 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.

7. Subsequent Events

Subsequent to the year end the Organization received additional funding of \$112,500 from the MCYS to support the ongoing implementation of the Parent2Parent Support Network Program.

8. Comparative figures

Prior to the current year the Organization received revenue through fundraising events and donations and incurred expenditures in establishing the Organization. Unaudited financial statements were prepared by another Chartered Professional Accountant. The comparative figures and the net asset position of the Organization as at April 1, 2016 are not material and accordingly have not been presented in these financial statements.