

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
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YEAR ENDED DECEMBER 31, 2025

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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, 2025, 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 matter 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, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

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, 2025, current assets and net assets as at December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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 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 these 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 ASNPO, 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 related 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.

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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
May 14, 2026



Chartered Professional Accountants
Licensed Public Accountants

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	2025	2024
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	465,599	762,338
Investment <i>(Note 2)</i>	142,370	41,146
Accounts receivable	-	9,190
Inventory <i>(Note 3)</i>	10,428	16,539
Harmonized sales tax recoverable	37,139	38,000
Prepaid expenses	22,043	41,855
	677,579	909,068
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	42,214	40,895
NET ASSETS	635,365	868,173
	677,579	909,068

ON BEHALF OF THE BOARD

Heather Markie-Gies Director

Director

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2025

	2025	2024
	\$	\$
REVENUE		
Donations	432,333	534,510
Adoption fees	252,530	277,650
Lottery	90,925	104,322
General store	35,992	32,742
Silent auctions	7,468	7,330
Special events	40,355	22,061
Interest income	11,047	23,762
Intake fees	2,650	5,120
	873,300	1,007,497
EXPENSES		
Veterinary fees and dog supplies	1,001,021	969,369
Administration expenses	26,475	60,094
Fundraising	40,376	58,559
Professional fees	17,476	17,653
Interest and bank charges	9,498	8,230
Newsletter and printing	1,637	7,961
Website	2,032	6,891
Insurance	3,683	3,564
Telephone	3,910	3,275
	1,106,108	1,135,596
DEFICIENCY OF REVENUE OVER EXPENSES	(232,808)	(128,099)

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	2025	2024
	\$	\$
NET ASSETS - BEGINNING OF YEAR	868,173	996,272
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(232,808)	(128,099)
NET ASSETS - END OF YEAR	635,365	868,173

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	(232,808)	(128,099)
Changes in non-cash working capital:		
Accounts receivable	9,190	(5,895)
Inventory	6,111	1,399
Prepaid expenses	19,812	(17,490)
Accounts payable and accrued liabilities	1,319	2,804
Harmonized sales tax recoverable	861	(6,674)
	37,293	(25,856)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(195,515)	(153,955)
Cash - beginning of year	803,484	957,439
CASH - END OF YEAR	607,969	803,484
CASH CONSISTS OF:		
Cash and cash equivalents	465,599	762,338
Investment	142,370	41,146
	607,969	803,484

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

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 (ASNPO) 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.

Lottery revenue is recognized in the period in which the lottery activities occur and the related proceeds are earned.

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, 2025

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 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 Certificates maturing June 20, 2026 and August 11, 2026, bearing interest at 3% per annum.

3. INVENTORY

Inventory as at December 31, 2025 consists of finished goods. The total value of inventory expensed to fundraising expenditures for the year was \$Nil (2024 - \$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. CONTINGENT LIABILITY

In May 2024, the Corporation and certain individuals associated with it were named as respondents in a legal proceeding brought before the Ontario Superior Court of Justice. The matter relates to the surrender and subsequent adoption of a golden retriever dog originally owned by the plaintiff, who is alleging that the Corporation acted improperly in accepting the surrender and rehoming the animal. The plaintiff is seeking \$195,000 in damages for alleged negligence, breach of contract, discrimination, and violation of human rights, along with the return of the dog or information regarding its adoption.

CANADIAN GOLDEN RETRIEVER ADOPTION SERVICE INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

5. CONTINGENT LIABILITY *(continued)*

The Corporation denies the allegations and is defending the action. The Corporation's insurer, Travelers Canada, has accepted coverage under its Directors' and Officers' and Employment Practices Liability insurance policies and has appointed legal counsel to represent the Corporation and the named individuals. While the outcome of the proceeding cannot be determined at this time, management believes that the Corporation has a valid defense, and no provision has been recorded in these financial statements. Accordingly, no amount has been accrued in respect of this matter.

6. 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. The Organization minimizes its exposure through regular monitoring and collection procedures. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization's exposure to concentration of credit risk is limited due to the nature and diversity of its revenue sources.

(b) Liquidity risk

The Organization is dependent on fundraising activities and donations to sustain operations and meet its obligations. Management monitors cash flows and working capital requirements on an ongoing basis. While the Organization maintains significant cash reserves at year-end, continued operating deficits could impact future liquidity if not addressed.