

C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT

Financial Statements

December 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of C.O.P.E. Canine Opportunity People Empowerment

Qualified Opinion

We have audited the financial statements of C.O.P.E. Canine Opportunity People Empowerment (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 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, 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 charitable organizations, the Organization derives revenue from the general public in the form of donations and fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, deficiency of revenues over expenses, current assets and net assets.

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.

Emphasis of Matter

We draw attention to Note 2 in the financial statements which indicates the Organization's ability to continue as a going concern is dependent upon its ability to secure additional funds and volunteers. It is not possible to predict at this time whether the Organization will attain profitable levels of operations. Our opinion is not qualified in respect of this matter.

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.

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Independent Auditor's Report to the Members of C.O.P.E. Canine Opportunity People Empowerment
(continued)

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.

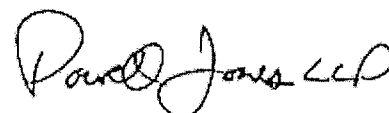
Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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:

- 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.



June 14, 2021

Chartered Professional Accountants
Licensed Public Accountants



C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT

Statement of Financial Position

As at December 31, 2020

	2020	2019
	\$	\$
ASSETS		
CURRENT		
Cash	133,837	168,053
Short term investments (Note 4)	60,848	60,848
Accounts receivable (Note 8)	26,703	-
Government remittances receivable	2,766	4,947
Prepaid expenses	935	-
	<u>225,089</u>	<u>233,848</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	13,185	11,974
Deferred revenue (Note 5)	-	7,500
	<u>13,185</u>	<u>19,474</u>
NET ASSETS	<u>211,904</u>	<u>214,374</u>
	<u>225,089</u>	<u>233,848</u>

APPROVED ON BEHALF OF THE BOARD

 Director
 Director

C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT
Statement of Operations
For the Year Ended December 31, 2020

	2020 Budget (Note 6) \$	2020 Actual \$	2019 Actual \$
REVENUES			
Canines in the Classroom	-	2,400	3,138
Dog purchases and training	20,000	25,452	1,474
Donations	138,500	65,651	127,214
Fundraising	78,350	69,372	212,048
Grant revenue	-	12,810	56,750
	236,850	175,685	400,624
EXPENDITURES			
Administration			
Insurance	2,100	2,130	2,276
Interest and bank charges	2,000	1,880	1,958
Office expenses	2,000	1,958	1,816
Professional fees	9,600	10,218	9,585
Rent	-	1,133	1,200
Salaries, benefits and contract wages	27,850	29,863	31,327
Telephone	-	295	204
	43,550	47,477	48,366
Program Expenses			
Canine care and training	1,500	7,652	2,294
Membership fees	4,000	3,606	5,269
Office expenses	10,800	8,779	7,846
Rent	-	9,061	9,600
Salaries and wages	92,850	100,157	98,142
Telephone	2,200	2,361	1,631
Travel	14,300	13,423	6,014
Veterinary care	16,000	13,475	10,574
Vehicle	-	-	69,579
	141,650	158,514	210,949
Fundraising and Marketing Expense			
Advertising and promotion	3,000	567	-
Event expenses and promotion	16,250	4,747	33,027
Office expenses	4,950	4,325	4,516
Rent	-	1,133	1,200
Salaries, benefits and contract wages	41,200	44,784	46,594
Telephone	-	295	204
	65,400	55,851	85,541
Professional Development			
Employee education	16,000	-	1,468
	266,600	261,842	346,324
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(29,750)	(86,157)	54,300
OTHER INCOME			
Government assistance (Note 8)	-	83,687	-
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(29,750)	(2,470)	54,300

See accompanying notes

C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT
Statement of Changes in Net Assets
For the Year Ended December 31, 2020

	2020	2019
	\$	\$
NET ASSETS - BEGINNING OF YEAR	214,374	160,074
(Deficiency) excess of revenues over expenditures	(2,470)	54,300
NET ASSETS - END OF YEAR	211,904	214,374

C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT
Statement of Cash Flows
For the Year Ended December 31, 2020

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures	(2,470)	54,300
Changes in non-cash working capital:		
Short term investments	-	25,000
Accounts receivable	(26,703)	5,820
Government remittances receivable	2,181	64
Prepaid expenses	(935)	-
Accounts payable and accrued liabilities	1,211	(778)
Deferred revenue	(7,500)	(2,500)
	(31,746)	27,606
(DECREASE) INCREASE IN CASH FLOW	(34,216)	81,906
Cash - beginning of year	168,053	86,147
CASH - END OF YEAR	133,837	168,053

C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT
Notes to Financial Statements
For the Year Ended December 31, 2020

1. STATUS AND NATURE OF ACTIVITIES

C.O.P.E. Canine Opportunity People Empowerment (the "Organization") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization provides education programs that engage communities and empowers students and others in the training of service dogs to transform the lives of those living with disabilities.

2. BASIS OF PRESENTATION

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

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of operations. Should the Organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

Based on current cash flows, limited resources and in light of the current global COVID-19 pandemic, management is not certain the Organization will be able sustain operations. Management is hopeful additional funds and volunteers will allow the Organization to continue to operate.

3. SIGNIFICANT ACCOUNTING POLICIES

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. Restricted contributions are deferred and recognized as revenue in the same period as the related expenses are recognized. Contributions from schools are deferred and amortized over the school year.

Capital assets and amortization

Capital assets are expensed in the year of acquisition. During the current year capital expenditures of \$nil were incurred (2019 - \$69,579).

Donated goods and services

(i) Dog Food Donations

Dog food donations received by the Organization are not reflected in the financial statements. The Organization receives a substantial amount of dog food donations which are required to maintain and meet the needs of the Organization.

(ii) Contributed Services

Volunteers contribute substantial time to assist the Organization in carrying out its fundraising, operating and administrative activities. Contributed services are not recognized in the financial statements due to the difficulty of determining their fair value.

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C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT
Notes to Financial Statements
For the Year Ended December 31, 2020

3. 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 revenue and expenditures for the year. A significant item subject to estimates and assumptions is the allowance for doubtful accounts. 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, short-term investments and accounts receivable. 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 operations.

4. SHORT TERM INVESTMENTS

	2020	2019
	\$	\$
CIBC High Interest Savings Account	20,817	20,817
RBC Guaranteed Investment Certificate, 0.15% annual interest, matures January 29, 2021	40,031	-
RBC Guaranteed Investment Certificate, 0.35% annual interest, matured February 9, 2020	-	40,031
	60,848	60,848

Subsequent to year end the guaranteed investment certificate was renewed at 0.15% with a maturity of July 29, 2021.

C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT
Notes to Financial Statements
For the Year Ended December 31, 2020

5. DEFERRED REVENUE

The Organization receives funding from individuals, governmental agencies, private foundations and not for profit organizations. Deferred revenue represent funds received in prior years to be spent in future fiscal years.

	2020 \$	2019 \$
Canines in the classroom (CIC) expansion	-	7,500

6. BUDGET

The budget figures are presented for comparative purposes and have not been audited or reviewed.

7. COMMITMENTS

The Organization has entered into a lease agreement for rental of premises which expires December 21, 2021. The monthly rent is \$984 plus HST.

8. GOVERNMENT ASSISTANCE

In response to the COVID-19 pandemic the Government of Canada has committed to provide various forms of relief. The Organization applied for the following relief provisions:

During the year, the Organization applied for and received a wage subsidy in the amount of \$557 known as the Temporary Wage Subsidy, funded by the Government of Canada. The Temporary Wage Subsidy is a three-month program which allows eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency. For periods subsequent to June 19, 2020 the Temporary Wage Subsidy was replaced by the Canada Emergency Wage Subsidy (CEWS).

During the year, the Organization applied and its application was accepted for a wage subsidy known as the Canada Emergency Wage Subsidy (CEWS), funded by the Government of Canada. Under the CEWS, the Organization is entitled to receive a subsidy for employee's wages – up to a calculated, maximum amount per week. At the date of these financial statements, Government of Canada has committed to extend the CEWS until June 2021. As of December 31, 2020 the Organization has received \$56,427 and accrued \$25,273, included in accounts receivable, for a total of \$81,700 in assistance from the CEWS.

During the year, the Organization applied and its application was accepted for a rent subsidy known as the Canada Emergency Rent Subsidy (CERS), funded by the Government of Canada. Under the CERS, the Organization is entitled to receive a subsidy for rent expenses – up to a calculated, maximum amount per period. At the date of these financial statements, Government of Canada has committed to extend the CERS until June 2021. At the date of these financial statements, the Organization has accrued \$1,430 in assistance from the CERS which is included in accounts receivable.

C.O.P.E. CANINE OPPORTUNITY PEOPLE EMPOWERMENT

Notes to Financial Statements

For the Year Ended December 31, 2020

9. SUBSEQUENT EVENT

The global COVID-19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Organization's ability to continue to service debt and meet other obligations as they come due is dependent on the continued ability to generate earnings and cash flows.

10. FINANCIAL INSTRUMENT RISK

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2020.

(a) Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Organization does not directly hold any collateral as security for financial obligations.

Cash and investments: Credit risk associated with cash and Canadian fixed income investments is minimized substantially by ensuring that these assets are invested in financial obligations of major financial institutions that have been accorded investment grade ratings by a primary rating agency. An ongoing review is performed to evaluate changes in the status of the issuers of securities authorized for investment under the Organization's investment policy.

Amounts receivable: Credit risk associated with amounts receivable is minimized by the Organization's large and diverse donor base. The Organization continually monitors the aging of its receivables. The Organization maintains allowances for potential credit losses, and any such losses to date have been within management's expectations.

The Organization must make estimates in respect of the allowance for doubtful accounts. Current economic conditions, historical information and the reasons for the accounts being past due are all considered in the determination of when to allow for past due accounts. The allowance for doubtful accounts is calculated on a specific identification basis.

(b) 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. Liquidity risk also includes the risk of the Organization not being able to liquidate assets in a timely manner at a reasonable price.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and holding assets that can be readily converted into cash.

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