

**CANADIAN PKU AND ALLIED
DISORDERS INC.**

FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

FOR THE YEAR ENDED MARCH 31, 2017

Draft

CANADIAN PKU AND ALLIED DISORDERS INC.

MARCH 31, 2017

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Draft

REVIEW ENGAGEMENT REPORT

To the Members of
Canadian Pku And Allied Disorders Inc.

We have reviewed the statement of financial position of **Canadian Pku And Allied Disorders Inc.** as at March 31, 2017 and the statements of operations and changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for non-for-profit organizations.

Comparative Information

We draw attention to Note 3 in the financial statements which describes that the Canadian PKU and Allied Disorders Inc. adopted Canadian accounting standards for not-for-profit organizations on April 1, 2016 with a transition date of April 1, 2015. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2016 and April 1, 2015 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2016 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited or reviewed.

Markham, Ontario
September 20, 2017

Kreston GTA LLP
Licensed Public Accountants

CANADIAN PKU AND ALLIED DISORDERS INC.

STATEMENT OF FINANCIAL POSITION

Unaudited - See Review Engagement Report

AS AT

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Current Assets				
Cash		\$ 88,266	\$ 87,322	\$ 103,606
Accounts receivable		-	2,500	-
Prepaid and other		4,754	1,240	-
		\$ 93,020	\$ 91,062	\$ 103,606
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued liabilities		\$ 14,190	\$ 20,537	\$ 16,123
Deferred revenue	4	11,009	-	40,675
		25,199	20,537	56,798
Net Assets				
Unrestricted		67,821	70,525	46,808
		\$ 93,020	\$ 91,062	\$ 103,606

Approved on Behalf of the Board

Director

The accompanying notes are an integral part of these financial statements.

CANADIAN PKU AND ALLIED DISORDERS INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Unaudited - See Review Engagement Report
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUE		
Donations	\$ 5,064	\$ 1,897
Unrestricted education grants	115,000	137,793
Memberships	2,310	3,000
Events and fundraising	4,351	6,527
Sponsorships	7,347	18,020
	134,072	167,237
EXPENSES		
Consulting fees	39,000	42,000
Event disbursements	39,905	39,674
Conferences	14,709	7,442
Advocacy	14,521	9,731
Office and general	12,670	13,765
Professional fees	15,270	10,170
Fundraising expense	701	-
Project expenses	-	21,271
	136,776	144,053
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	(2,704)	23,184
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	70,525	47,341
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 67,821	\$ 70,525

The accompanying notes are an integral part of these financial statements.

CANADIAN PKU AND ALLIED DISORDERS INC.

STATEMENT OF CASH FLOWS

Unaudited - See Review Engagement Report

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	\$ (2,704)	\$ 23,184
CHANGES IN NON-CASH WORKING CAPITAL		
Accounts receivable	2,500	(2,500)
Prepaid and other	(3,514)	(1,240)
Deferred revenue	11,009	(40,675)
Accounts payable and accrued liabilities	(6,347)	4,947
	944	(16,284)
NET INCREASE (DECREASE) IN CASH	944	(16,284)
CASH, BEGINNING OF YEAR	87,322	103,606
CASH, END OF YEAR	\$ 88,266	\$ 87,322

The accompanying notes are an integral part of these financial statements.

CANADIAN PKU AND ALLIED DISORDERS INC.

NOTES TO THE FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

FOR THE YEAR ENDED MARCH 31, 2017

I. STATUS AND PURPOSE OF THE ORGANIZATION

Canadian PKU and Allied Disorders Inc. (the "Organization") was incorporated as a not-for-profit organization under the Canada Corporations Act on February 26, 2008 without share capital and is exempt from the payment of taxes. The Organization is a non-profit association of volunteers, first organized in the Spring of 2008 based in Toronto, Ontario. The Organization is dedicated to providing accurate news, information and support to families and professionals dealing with phenylketonuria and similar, rare, inherited metabolic disorders. The Organization's mission is to improve the lives of people with PKU and allied disorders and the lives of their families.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue Recognition

The Organization 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 earned from fundraising events, sponsorships, and membership fees are recognized at the time the services are provided or the goods are delivered, if the amount to be received can be reasonably estimated and collection is reasonably assured. Fundraising events, sponsorships or membership fees received prior to the completion of the related services are recorded as deferred revenue.

Capital Assets

Capital assets are recorded as expenses in the year they are acquired.

Contributed services

Volunteers contribute services in carrying out the Organization's activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial Instruments Measurement

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents.

CANADIAN PKU AND ALLIED DISORDERS INC.

NOTES TO THE FINANCIAL STATEMENTS

Unaudited - See Review Engagement Report

FOR THE YEAR ENDED MARCH 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Use of Estimates

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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

These financial statements are the first financial statements for which the organization applied Canadian accounting standards for not-for-profit organizations. First-time adoption of this new basis of accounting had no impact on the organization's (deficiency) excess of revenues over expenses for the year ended March 31, 2016 or on net assets as at April 1, 2015, the date of transition.

4. DEFERRED REVENUE

Deferred revenue consists of membership and events and fundraising revenue received in the current period that is related to subsequent periods.

	2017	2016
Balance, beginning of year	\$ -	\$ (40,675)
Less amount recognized as revenue in the year	-	40,675
Add amount received related to subsequent periods	11,009	-
	\$ 11,009	\$ -

5. ECONOMIC DEPENDENCE

A significant portion of the Company's unrestricted education grant income is applied for and received from a major pharmaceutical company. The Organization is dependent on annual funding from this company to maintain at its current level of operations.

CANADIAN PKU AND ALLIED DISORDERS INC.

NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED MARCH 31, 2017

6. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments, as follows:

Credit Risk

The Organization is exposed to credit risk with respect to accounts receivable. The Organization assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. The Organization is exposed to this risk mainly in respect of its accounts payable.

Other Risks

It is management's opinion that the Organization is not exposed to significant interest rate, currency or market risks arising from its financial instruments.

The extent of the Organization's exposure to all risks did not change during the year.