

A Dollar A Day Foundation

Financial statements

December 31, 2021



Independent auditors' report

To the Board of Directors of
A Dollar A Day Foundation

Opinion

We have audited the financial statements of **A Dollar A Day Foundation** [the "Foundation"], which comprise the statement of financial position as at December 31, 2021, and the statement of operations, statement of changes in net surplus (deficit), and statement of 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 Foundation as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian 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 Foundation 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter – supplementary information

We draw attention to the fact that the supplementary information included with the financial statements related to the Foundation does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

St. John's, Canada
July 5, 2022

Ernst & Young LLP

Chartered Professional Accountants



A Dollar A Day Foundation

Statement of financial position

As at December 31

	2021	2020
	\$	\$
Assets		
Current		
Cash	323,533	138,590
Investment	100,000	—
Accounts receivable	165,626	142,732
HST receivable	9,854	19,702
Total current assets	599,013	301,024
Tangible capital assets, net <i>[note 3]</i>	211	5,300
	599,224	306,324
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities <i>[note 5]</i>	44,932	56,002
Total current liabilities	44,932	56,002
Net assets	554,292	250,322
	599,224	306,324

See accompanying notes

On behalf of the Board:

Director

Director

A Dollar A Day Foundation

Statement of operations

Year ended December 31

	2021	2020
	\$	\$
Revenue		
Corporate partners	1,043,160	714,551
Donations	727,762	611,263
	1,770,922	1,325,814
Expenses [schedule 1]		
Charitable donations	1,116,123	700,000
Agency creative and management fees	167,467	182,918
Administrative	99,600	90,213
Advertising and promotional materials	31,629	25,151
Merchant fees	14,499	9,256
Accounting and legal fees	12,754	16,519
Travel and training	6,812	5,871
Website and donor management tools	5,575	5,332
Amortization	5,090	14,848
Courier and postage	3,917	3,431
Insurance	2,134	1,875
Bank charges and other fees	1,008	1,949
Rent and office	344	2,604
Interest	—	2,722
	1,466,952	1,062,689
Surplus of revenue over expenses for the year	303,970	263,125

See accompanying notes

A Dollar A Day Foundation

Statement of changes in net assets

Year ended December 31

	2021	2020
	\$	\$
Balance, beginning of year	250,322	(12,803)
Surplus of revenue over expenses for the year	303,970	263,125
Balance, end of year	554,292	250,322

See accompanying notes

A Dollar A Day Foundation

Statement of cash flows

Year ended December 31

	2021	2020
	\$	\$
Operating activities		
Surplus of revenue over the expenses for the year	303,970	263,125
Add item not involving cash		
Amortization	5,090	14,848
Net change in non-cash working capital balances related to operations <i>[note 6]</i>	(24,116)	(198,655)
Cash provided by operating activities	284,944	79,318
Investing activities		
Acquisition of investments	(100,000)	—
Cash used in investing activities	(100,000)	—
Financing activities		
Repayment of credit facility	—	(175,000)
Cash used in financing activities	—	(175,000)
Net change in cash during the year	184,943	(95,682)
Cash, beginning of year	138,590	234,272
Cash, end of year	323,533	138,590

See accompanying notes

A Dollar A Day Foundation

Notes to financial statements

December 31, 2021

1. Organization

A Dollar A Day Foundation [the "Foundation"] is a registered charity and was incorporated without share capital on August 26, 2016 under the laws of the Province of Newfoundland and Labrador as a not-for-profit foundation.

The Foundation was established to support front-line mental health and addictions programs. The primary source of funding is through donations.

The Foundation is a registered not-for-profit organization under the *Income Tax Act* (Canada) and is exempt from income taxes.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations," which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada and includes the significant accounting policies described hereafter.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions, which include donation revenue and other contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received is reasonably assured. Externally restricted contributions are deferred and recognized as revenue when the related restrictions are fulfilled.

Financial instruments

Financial instruments are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment, with the exception of investments. Investments are subsequently measured at fair value.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization.

Website	30% straight-line
Computer	20% straight-line

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Impairment of tangible capital assets

The tangible capital assets are written down when conditions indicate that they no longer contribute to the Foundation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. The net write-down is accounted for as an expense in the statement of operations and changes in fund balances.

Net assets

Unrestricted net assets represent all the operating activities of the Foundation.

3. Tangible capital assets

	2021		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Website	48,788	48,788	—
Computers	1,054	843	211
	49,842	49,631	211

	2020		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Website	48,788	43,910	4,878
Computers	1,054	632	422
	49,842	44,542	5,300

4. Credit facilities

The Foundation has one credit facility with Royal Bank of Canada ["RBC"]. The credit facility is a revolving demand facility, and the total amount available under this agreement is \$50,000 [2020 – \$50,000]. As at December 31, 2021, the balance of the demand loan amounted to nil [2020 – nil]. The demand loan has an interest rate of prime plus 1%, payable monthly. The relevant prime rate was 2.45% as at December 31, 2021 [2020 – 2.45%].

The credit facility has been secured by a first ranking security interest in all personal property of the Foundation and a contract assignment, and a postponement and assignment of claim by a director have been provided as security for the credit facilities in the amount of \$275,000.

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5. Accounts payable and accrued liabilities

	2021 \$	2020 \$
Trade accounts payable	13,207	21,467
Accrued liabilities	41,725	34,535
	<u>54,932</u>	<u>56,002</u>

6. Statement of cash flows

The net change in non-cash working capital balances related to operations consists of the following:

	2021 \$	2020 \$
(Increase) decrease in current assets		
Accounts receivable	(22,89)	(142,732)
HST receivable	9,848	(10,635)
	<u>(13,046)</u>	<u>(153,367)</u>
Decrease in current liabilities		
Accounts payable and accrued liabilities	(1,070)	(45,288)
	<u>(14,116)</u>	<u>(198,655)</u>

7. Financial instruments and risk management

Risks and uncertainties

The Foundation is exposed to various financial risks through transactions in financial instruments. The following provides information in assessing the extent of the Foundation's exposure to these risks.

Interest rate risk

The demand loan bears interest at variable rates and subjects the Foundation to interest cash flow risk.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities.

Schedule of expenses

Year ended December 31

	2021	2020
	\$	\$
Gifts made to all qualified donees	1,116,123	675,000
Expenses on management and administration	124,573	60,982
Expenses on fundraising	123,302	178,345
Expenses on charitable activities	102,954	148,362
	1,466,952	1,062,689