

# A Dollar A Day Foundation

Financial statements

December 31, 2023



# Independent auditor's 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, 2023, and the statement of operations, statement of changes in net assets, 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, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting 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.

## 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  
May 16, 2024

*Ernst & Young LLP*

Chartered Professional Accountants



# A Dollar A Day Foundation

## Statement of financial position

As at December 31

	2023	2022
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	250,780	561,328
Investment	108,556	100,000
Accounts receivable	—	3,300
Prepaid expenses	9,547	—
HST receivable	4,967	34,276
<b>Total current assets</b>	<b>373,850</b>	<b>698,904</b>
Tangible capital assets, net <i>[note 3]</i>	1,772	—
	<b>375,622</b>	<b>698,904</b>
<b>Liabilities and net assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[note 4]</i>	10,465	59,482
<b>Total current liabilities</b>	<b>10,465</b>	<b>59,482</b>
<b>Net assets</b>	<b>365,157</b>	<b>639,422</b>
	<b>375,622</b>	<b>698,904</b>

See accompanying notes

On behalf of the Board:

Director

Director

## A Dollar A Day Foundation

### Statement of operations

Year ended December 31

	2023	2022
	\$	\$
<b>Revenue</b>		
Corporate partners	699,224	808,380
Donations	452,134	1,265,954
Interest	10,475	—
Unrealized gain on investment	8,556	—
	<b>1,170,389</b>	<b>2,074,334</b>
<b>Expenses [schedule 1]</b>		
Charitable donations	1,136,040	1,520,500
Agency creative and management fees	107,370	147,438
Payroll	95,158	—
Accounting and legal fees	24,848	10,320
Recruitment	20,298	—
Website and donor management tools	17,867	6,307
HST	12,705	—
Merchant fees	10,490	14,197
Administrative	5,437	124,826
Travel and training	3,898	6,467
Advertising and promotional materials	3,419	8,866
Rent and office	2,132	1,179
Insurance	2,030	2,801
Courier and postage	1,981	602
Bank charges and other fees	538	860
Amortization	443	211
Awareness campaign – Mental Health	—	144,630
	<b>1,444,654</b>	<b>1,989,204</b>
<b>Surplus (deficit) of revenue over expenses for the year</b>	<b>(274,265)</b>	<b>85,130</b>

See accompanying notes

**A Dollar A Day Foundation**

**Statement of changes in net assets**

Year ended December 31

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Balance, beginning of year</b>	<b>639,422</b>	554,292
Surplus (deficit) of revenue over expenses for the year	<b>(274,265)</b>	85,130
<b>Balance, end of year</b>	<b>365,157</b>	639,422

*See accompanying notes*

## A Dollar A Day Foundation

### Statement of cash flows

Year ended December 31

	2023	2022
	\$	\$
<b>Operating activities</b>		
Surplus (deficit) of revenue over expenses for the year	(274,265)	85,130
Add (deduct) items not involving cash		
Amortization	443	211
Unrealized gain on investment	(8,556)	—
Net change in non-cash working capital balances related to operations <i>[note 5]</i>	(25,955)	152,454
<b>Cash provided by (used in) operating activities</b>	<b>(308,333)</b>	<b>237,795</b>
<b>Investing activities</b>		
Acquisition of tangible capital assets	(2,215)	—
<b>Cash used in investing activities</b>	<b>(2,215)</b>	<b>—</b>
<b>Net increase (decrease) in cash during the year</b>	<b>(310,548)</b>	<b>237,795</b>
Cash, beginning of year	561,328	323,533
<b>Cash, end of year</b>	<b>250,780</b>	<b>561,328</b>

See accompanying notes

# A Dollar A Day Foundation

## Notes to financial statements

December 31, 2023

### 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.

Computers	20% straight-line
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## A Dollar A Day Foundation

### Notes to financial statements

December 31, 2023

#### 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 statements of operations and changes in net assets.

#### Net assets

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

### 3. Tangible capital assets

Tangible capital assets consist of the following:

	2023		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computers	2,215	443	1,772

  

	2022		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Computers	1,054	1,054	—

### 4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2023	2022
	\$	\$
Trade accounts payable	—	53,482
Accrued liabilities	10,465	6,000
	<u>10,465</u>	<u>59,482</u>

## A Dollar A Day Foundation

### Notes to financial statements

December 31, 2023

#### 5. Statement of cash flows

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

	2023	2022
	\$	\$
<b>Decrease (increase) in current assets</b>		
Accounts receivable	3,300	162,326
HST receivable	29,309	(24,422)
Prepaid expenses	(9,547)	—
	<u>23,062</u>	<u>137,904</u>
<b>Increase (decrease) in current liabilities</b>		
Accounts payable and accrued liabilities	(49,017)	14,550
	<u>(49,017)</u>	<u>14,550</u>
<b>Net change in non-cash working capital balances related to operations</b>	<u>(25,955)</u>	<u>152,454</u>

#### 6. 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.

##### *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.

#### 7. 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 \$100,000 [2022 – \$50,000]. As at December 31, 2023, there were no amounts drawn on the demand loan [2022 – nil]. The demand loan has an interest rate of prime plus 1%, payable monthly. The relevant prime rate was 7.20% as at December 31, 2023 [2022 – 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.

**Schedule of expenses**

Year ended December 31

	<b>2023</b>	<b>2022</b>
	\$	\$
Gifts made to all qualified donees	<b>1,136,040</b>	1,520,500
Expenses on management and administration	<b>163,438</b>	139,619
Expenses on fundraising	<b>87,833</b>	175,384
Expenses on charitable activities	<b>57,343</b>	153,701
	<b>1,444,654</b>	1,989,204