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**19 TO ZERO
FINANCIAL STATEMENTS
MARCH 31, 2023**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of 19 to Zero,

Opinion

We have audited the financial statements of 19 to Zero, which comprise of the statement of financial position as at March 31, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of 19 to Zero as at March 31, 2023 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 4 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2022 has been restated. The financial statements for the year ended March 31, 2022 (prior to the adjustments that were applied to restate certain comparative information explained in Note 4) were not audited or reviewed and prepared by another firm of Chartered Professional Accountants.

Responsibilities of Management's and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (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 these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 to do so.

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

Auditor's Responsibility 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 auditors' 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.

CALGARY, ALBERTA
September 19, 2023

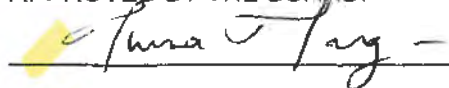


CHARTERED PROFESSIONAL ACCOUNTANTS

**19 TO ZERO
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023**

	<u>2023</u>	<u>(Note 4) 2022</u>
<u>ASSETS</u>		
CURRENT		
Cash and cash equivalents	\$ 572,336	\$ 681,967
Accounts receivables	<u>294,074</u>	<u>19,000</u>
	<u>\$ 866,410</u>	<u>\$ 700,967</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payables and accrued liabilities	\$ 59,103	\$ 306,018
Unearned revenue	<u>211,208</u>	<u>944,634</u>
	<u>270,311</u>	<u>1,250,652</u>
Related party transactions (Note 3)		
<u>NET ASSETS</u>		
Unrestricted	<u>596,099</u>	<u>(549,685)</u>
	<u>596,099</u>	<u>(549,685)</u>
	<u>\$ 866,410</u>	<u>\$ 700,967</u>

APPROVED BY THE BOARD:

 _____ Chief Executive Officer

_____ Chief Operating Officer

19 TO ZERO
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS
YEAR ENDED MARCH 31, 2023

	<u>2023</u>	(Note 4) <u>2022</u>
REVENUE		
Corporate and private grants	\$ 2,690,189	\$ 1,324,536
Federal grants	<u>287,400</u>	<u>160,667</u>
	<u>2,977,589</u>	<u>1,485,203</u>
EXPENSES		
Campaign costs	138,660	612,155
Communications	89,650	95,232
Conference	8,688	19,352
Data collections	218,580	440,887
Development	40,017	-
Equipment	1,762	-
Honorarium	3,700	-
Insurance	11,326	-
Interest and bank charges	504	2,482
Meals and entertainment	10,825	5,583
Office	4,234	26
Personnel	1,100,433	769,409
Professional fees	29,454	15,303
Project costs	1,835	-
Public relations	-	45,938
Subcontractor	134,751	-
Subscriptions and fees	9,378	5,053
Training	8,985	210
Travel	16,587	11,541
Website	<u>377</u>	<u>9,950</u>
	<u>1,829,746</u>	<u>2,033,121</u>
Excess (deficiency) of operating revenue over expenses	1,147,843	(547,918)
(Loss) on foreign exchange	<u>(2,059)</u>	<u>(936)</u>
Excess (deficiency) of revenue over expenses	1,145,784	(548,854)
(Deficit), beginning of year	<u>(549,685)</u>	<u>(831)</u>
Net assets (deficit), end of year	<u>\$ 596,099</u>	<u>\$ (549,685)</u>

**19 TO ZERO
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2023**

	<u>2023</u>	<u>(Note 4) 2022</u>
CASH FLOWS PROVIDED FROM (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 1,145,784	\$(548,854)
Change in non-cash working capital accounts		
Accounts receivables	(275,074)	(19,000)
Goods and services tax	-	(826)
Accounts payables and accrued liabilities	(246,915)	306,018
Deferred revenue	<u>(733,426)</u>	<u>944,634</u>
Change in cash	(109,631)	681,972
Cash (bank indebtedness), beginning of year	<u>681,967</u>	<u>(5)</u>
Cash, end of year	<u>\$ 572,336</u>	<u>\$ 681,967</u>

**19 TO ZERO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

1. PURPOSE OF THE ORGANIZATION

19 to Zero is a not-for-profit coalition of public health experts, academics, civil society organizations, marketers, and behavioural scientists aimed at improving people's health through behaviour change. Its work spans diverse areas including promoting vaccine uptake, improving cancer screening rates, and working in chronic disease management and prevention. Its strength in its diversity of expertise and partnerships and has launched many behaviour change initiatives for both the general population and different vulnerable populations. The Organization is a not-for-profit organization under the Income Tax Act. As a result, it is exempted from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied on a going concern basis.

Use of Estimates

The preparation of financial statements in accordance 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 disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

Significant estimates in these financial statements include the ability to collect on accounts receivable, accrued payables and deferred revenue.

Financial instruments

Financial instruments are recorded at exchange value when acquired or issued. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Organization's financial instruments consist of cash and cash equivalents, accounts receivables, and accounts payable and accrued liabilities. Unless otherwise indicated, it is management's opinion that the Organization is not exposed to significant interest or credit risks arising from these financial instruments. The exchange values of these financial instruments approximate their carrying value, unless otherwise noted.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Revenue and expenses are recorded on the accrual basis.

Externally restricted grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fees for services related to deliverables and programs are recognized as revenue when such programs and products are delivered.

**19 TO ZERO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

3. RELATED PARTY TRANSACTIONS

The Organization paid \$628,234 for contracted services to various Board Members of the Organization. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. RESTATEMENT OF PRIOR YEAR FIGURES

Due to the adoption of Canadian Accounting Standards for Not-for-Profit Organizations, the Organization has adjusted prior year revenue and deferred income to meet these standards.

To account for this change, we will increase deferred revenue from from \$Nil to \$944,634 and decrease revenue from \$2,429,837 to \$1,485,203; and net assets decreased from \$394,949 to (\$549,685).

Certain comparative figures have been reclassified for comparative purposes to conform with current year's financial statement presentation and restated to adjust for this adoption

5. FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that a counter-party will default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk on its accounts receivable and cash. Management assesses its accounts receivable on a continuous basis and makes a provision for any amounts that are not collectible through an allowance for doubtful accounts. There has been no change to credit risk exposure during the year. Cash is deposited at major commercial banks.

Currency risk

Currency risk is the risk associated with transacting in and holding balances that are denominated in foreign currencies. On occasion, the Organization makes purchases in foreign currencies. These are converted to Canadian currency as soon as practicable. Aside from these transactions, the Organization is not exposed to currency risk. There has been no change to currency risk exposure during the year.