

Financial Statements of

ONE GLOBAL (CANADA)

And Independent Auditor's Report thereon

Year ended December 31, 2022



KPMG LLP
150 Elgin Street, Suite 1800
Ottawa ON K2P 2P8
Canada
Telephone 613-212-5764
Fax 613-212-2896

INDEPENDENT AUDITOR'S REPORT

To the Members of ONE Global (Canada)

Opinion

We have audited the financial statements of ONE Global (Canada) (the Organization), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, 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 auditor's 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.



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 Organization'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 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 the 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.



Page 3

- 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 auditors' 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 auditors' 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

April 27, 2023

ONE GLOBAL (CANADA)

Financial Statements

Year ended December 31, 2022

	Page
Statement of Financial Position	1
Statement of Operations and Changes in Net Assets	2
Statement of Cash Flows	3
Notes to Financial Statements	4

ONE GLOBAL (CANADA)

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 585,265	\$ 707,949
Grants receivable	1,000,000	1,000,000
Deposits and prepaid expenses	12,216	25,671
	<u>1,597,481</u>	<u>1,733,620</u>
Long-term grants receivable, net	1,813,553	2,775,091
	<u>\$ 3,411,034</u>	<u>\$ 4,508,711</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 2)	\$ 38,884	\$ 85,998
Net assets:		
Unrestricted (note 3)	3,372,150	4,422,713
	<u>\$ 3,411,034</u>	<u>\$ 4,508,711</u>

See accompanying notes to financial statements.

On behalf of the Members:

_____ Member

_____ Member

ONE GLOBAL (CANADA)

Statement of Operations and Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Contributions and grants (note 4)	\$ 158,710	\$ 5,309,041
Miscellaneous income	174	100
	158,884	5,309,141
Expenses (note 5):		
Program services	999,227	702,575
Management and general	195,320	158,251
Fundraising	14,900	28,972
	1,209,447	889,798
Excess (deficiency) of revenue over expenses	(1,050,563)	4,419,343
Net assets, beginning of year	4,422,713	3,370
Net assets, ending of year	\$ 3,372,150	\$ 4,422,713

See accompanying notes to financial statements.

ONE GLOBAL (CANADA)

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (1,050,563)	\$ 4,419,343
Change in non-cash operating working capital:		
Grants receivable	—	(1,000,000)
Deposits and Prepaid expenses	13,455	(10,671)
Accounts payable and accrued liabilities	(47,114)	39,902
Change in non-cash long-term operating working capital:		
Long-term grants receivable	961,538	(2,775,091)
Increase (decrease) in cash	(122,684)	673,483
Cash and cash equivalents, beginning of year	707,949	34,466
Cash and cash equivalents, end of year	\$ 585,265	\$ 707,949

See accompanying notes to financial statements.

ONE GLOBAL (CANADA)

Notes to Financial Statements

Year ended December 31, 2022

ONE Global (Canada) (the “Organization”) is a not-for-profit organization and a registered charity, and as such, is exempt from income taxes, under Section 149(l)(l) of the Income Tax Act (Canada). Effective January 7, 2016, the Association transitioned its Articles to the Canada Not-for-profit Corporations Act.

The purpose of the Organization is to educate the public on issues of, and relating to, extreme poverty and preventable disease, with a focus on sub-Saharan Africa. It also lobbies and carries on political activity for the purpose of securing public support for, and government action on, issues relating to extreme poverty and preventable disease.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies.

(a) Basis of presentation:

The Organization uses the deferral method of accounting for contributions for not-for-profit organizations.

(b) Cash and cash equivalents:

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

(c) Revenue recognition:

Unrestricted and temporarily restricted grants and contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted grants and contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

(d) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

ONE GLOBAL (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant account policies (continued):

(e) Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Operations and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

(f) Foreign currency translation:

The Canadian Dollar is the functional currency for the Organization's operations. Transactions in currencies other than Canadian Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction.

Current assets and liabilities denominated in non-Canadian currency are translated into Canadian Dollar at the exchange rate in effect at the date of the Statement of Financial Position. The net exchange gains (losses) from foreign currency exchanges are reported in other revenue in the Statement of Operations and Changes in Net Assets.

(g) Capital assets:

Capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful lives as follows:

Asset	Rate
Office equipment	3 years

ONE GLOBAL (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$743 (2021 - \$1,430), which includes amounts payable for HST and payroll-related taxes.

3. Net assets:

The Organization considers its capital to consist of its unrestricted and internally restricted net assets. The objective of the Organization with respect to its capital is to fund ongoing operations and future projects. The Organization manages its capital by maintaining and monitoring amounts available for future projects, contingencies and other capital requirements.

The Organization is not subject to externally imposed capital requirements.

4. Related party transactions:

The Organization is an affiliate of The ONE Campaign, a District of Columbia not-for-profit corporation who educates the public and raises awareness about extreme poverty around the globe and the progress being made against it through life-saving programs.

The Organization received unrestricted contributions of \$120,248 in 2022 (2021 - \$523,950) from The ONE Campaign.

A member of the Organization's Board is President for the Board of Directors of a Foundation. In 2021 the Organization received \$5,000,000 from this Foundation and the amount was fully recognized in revenue in year received. As part of the agreement the contribution will be funded by annual cash payments of \$1 million to fund operations.

5. Expense allocation:

The Organization allocates management and general expenditures to program services and fundraising expenses on the Statement of Operations and Changes in Net Assets. Allocations are made based on the percentage of salaries in each function. During the year, \$999,227 (2021 - \$702,575) was allocated to program services and \$14,900 (2021 - \$28,972) was allocated to fundraising expenses.

ONE GLOBAL (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2022

6. Risk management:

(a) Currency, credit and liquidity risks:

- i) Credit risk: Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss.
- ii) The Organization believes that it is not exposed to significant foreign currency, credit or liquidity risks arising from its financial instruments.

(b) Market risks:

Market risk is the risk that the fair value or future cash flows of a financial statement will fluctuate because of changes in market prices. Market risk comprises of three types of risk: foreign currency risk, interest rate risk and other price risk. The Organization is not exposed to these market risks.