



Financial Statements

My 100 Percent

December 31, 2019

# Contents

	<b>Page</b>
Independent auditor's report	1 - 2
Statement of financial position	3
Statement of financial activities and changes in net assets	4
Statement of cash flows	5
Notes to the financial statements	6 - 10
Schedules to the financial statements	11

# Independent auditor's report

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To the Members of My 100 Percent

## Qualified Opinion

We have audited the financial statements of **My 100 Percent** (the "Organization"), which comprise the statement of financial position as at December 31, 2019, and the statements of financial activities, 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **My 100 Percent**, as at December 31, 2019, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from fundraising activities and public donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to contribution and fundraising revenues, net surplus and cash flows from operations for the years ended December 31, 2019 and December 31, 2018, current assets as at December 31, 2019 and 2018, and changes in net assets as at January 1, 2019 and 2018, December 31, 2019 and 2018. Our audit opinion on the financial statements for the period ended December 31, 2018 was modified accordingly because of possible effects of this limitation in scope.

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 qualified opinion.

## Responsibilities of Management 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, 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 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Mississauga, Canada  
May 11, 2020

Chartered Professional Accountants  
Licensed Public Accountants

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## My 100 Percent Statement of financial position

As at December 31,

**2019**

2018

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### Assets

#### Current

Cash	\$ 47,969	\$ 94,456
Investments (Note 3)	152,864	98,616
Accounts receivable	8,627	11,376
Inventory	<u>-</u>	<u>84</u>
	\$ <u>209,460</u>	\$ <u>204,532</u>

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### Liabilities

#### Current

Payables and accruals (Note 4)	\$ <u>8,031</u>	\$ <u>11,516</u>
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### Net assets

	<u>201,429</u>	<u>193,016</u>
	\$ <u>209,460</u>	\$ <u>204,532</u>

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On behalf of the Board

\_\_\_\_\_ Director \_\_\_\_\_ Director

See accompanying notes to the financial statements.

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## My 100 Percent Statement of financial activities and changes in net assets

Year ended December 31,	2019	2018
Revenue		
Contributions	\$ 49,570	\$ 59,952
Fundraising events, net (Schedule 1)	5,944	3,111
Interest income (Note 3)	5,672	3,776
Unrealized gain on investments (Note 3)	3,577	-
DVD sales (costs), net (Schedule 2)	<u>(960)</u>	<u>2,224</u>
	<u>63,803</u>	<u>69,063</u>
Expenditures		
Website	3,586	-
Professional fees	3,275	2,745
Bank charges	874	545
Office	316	692
Travel and marketing	197	475
Unrealized loss on investments (Note 3)	<u>-</u>	<u>5,156</u>
	<u>8,248</u>	<u>9,613</u>
Surplus before programming	55,555	59,450
Programming expenses (recoveries) (Note 5)		
Civic Independence Development - Nepal	25,965	1,907
Juna Limbu Health Care	12,422	-
InREACH - Nepal	8,755	5,252
Jhamtse Gatsal Children's Community	<u>-</u>	<u>(10,331)</u>
	<u>47,142</u>	<u>(3,172)</u>
Net surplus for the year	\$ <u>8,413</u>	\$ <u>62,622</u>
<hr/>		
Net assets, beginning of year	\$ 193,016	\$ 130,394
Net surplus for the year	<u>8,413</u>	<u>62,622</u>
Net assets, end of year	\$ <u>201,429</u>	\$ <u>193,016</u>

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See accompanying notes to the financial statements.

## My 100 Percent Statement of cash flows

Year ended December 31,	2019	2018
Cash from operating activities		
Net surplus in the year	\$ 8,413	\$ 62,622
Item not affecting cash		
Unrealized (gain) loss on investment	(3,577)	5,156
Change in non-cash working capital		
Accounts receivable	2,749	(9,219)
Inventory	84	647
Payables and accruals	<u>(3,485)</u>	<u>7,551</u>
	<u>4,184</u>	<u>66,757</u>
Cash used in investment activities		
Purchase of investments	(130,090)	(103,772)
Proceeds from disposal of investments	<u>79,419</u>	<u>-</u>
	<u>(50,671)</u>	<u>(103,772)</u>
Decrease in cash	(46,487)	(37,015)
Cash, beginning of year	<u>94,456</u>	<u>131,471</u>
Cash, end of year	\$ <u>47,969</u>	\$ <u>94,456</u>

See accompanying notes to the financial statements.

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# **My 100 Percent**

## **Notes to the financial statements**

December 31, 2019

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### **1. Purpose of the organization**

My 100 Percent (the "Organization") was previously known as Jhamtse Canada. The Organization was incorporated on March 3, 2014 as a non-profit corporation under the Canada Not-for-Profit Corporations Act. Effective January 1, 2015, the Organization became a registered charity. As a non-profit corporation and as a charity, the Organization is exempt from income taxes.

In 2018 the Board approved a Resolution to change the Organization's name to better reflect its broad mandate and the commitment of the Officers to fund operating expenses through their personal donations in excess of these expenses each year. This is intended to ensure that all donors to My 100 Percent know that all of their funds go to the causes they support.

The Organization's purpose is to:

- a) Raise awareness in Canada of the need to relieve poverty for children in developing countries through charitable donations and support of organizations in the developing countries that perform these essential services.
- b) Engage with charitable organizations and non-government agencies that provide the basic necessities of life in developing countries to determine a project or projects for which the Organization can provide financial assistance. These projects include capital support of basic shelter dwellings; renewable energy and agriculture projects.
- c) Provide financial support for operational costs for children's basic necessities of life and education.
- d) Monitor the implementation of the projects by the charitable organizations and non-government agencies and report the progress to the various contributors to the Organization.
- e) Provide financial assistance to meritorious students in developing countries whose financial situation prevents them from completing studies.
- f) To edit, produce and circulate DVDs, calendars, and other fundraising materials, to carry on the business as publishers and sellers, as well to apply for and obtain copyrights, to further the purposes of the Organization.

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### **2. Summary of significant accounting policies**

The 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 period in which the related expenditures 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.



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# **My 100 Percent**

## **Notes to the financial statements**

December 31, 2019

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### **2. Summary of significant accounting policies (continued)**

#### **Use of estimates**

Management reviews the carrying amounts of items in the financial statements at each year end date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Items subject to management estimates include allowance for doubtful accounts and inventory obsolescence.

#### **Inventory**

Inventory is comprised of "Tashi and the Monk" DVDs available for sale. The costs of purchase comprise production costs, licensing costs and shipping costs. Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method ("FIFO"). Net realizable value is the estimated selling price in the ordinary course of business. The remaining inventory is immaterial to the Organization.

#### **Contributed services**

Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### **Financial Instruments – recognition and measurement**

The Organization considers any contract creating a financial asset or liability as a financial instrument, except in limited circumstances. The Organization's financial instruments are: cash, investments, accounts receivable, and payables.

##### *Initial measurement*

The Organization's financial instruments obtained in arm's length transactions are initially measured at their fair value.

##### *Subsequent measurement*

The Organization subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

The Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of financial activities. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

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# **My 100 Percent**

## **Notes to the financial statements**

December 31, 2019

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### **3. Investments**

During the year the Organization invested its excess cash in liquid savings accounts and interest-bearing preferred securities. These securities are notionally marked to market at year end creating the recognition of gains and losses that have not been realized. Subsequent changes in market value may reverse these gains and losses. Subsequent to year end during the global pandemic the value of these interest-bearing preferred shares declined by approximately 4.8% from the average cost. Management expects that this unrealized decline is temporary given the predictable dividend payment and high dividend yield of the Canadian bank preferred shares relative to a low current interest rate environment.

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### **4. Related party transactions and balances**

In accordance with Note 1 the Officers of the Organization have made personal donations in excess of the operating expenditures. During the year ended December 31, 2019 these Directors of the Organization incurred expenses on behalf of the Organization totalling \$4,732 (2018 - \$8,197), of which a balance of \$4,732 (2018 - \$8,197) remains payable at December 31, 2019 and is included in payables and accruals.

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### **5. Programming**

#### **Civic Independence Development - Nepal**

Given the success of the pilot project, the Organization selected Civic Independence Development ("CID"), a non-governmental agency in Nepal, to expand on the initial pilot project with a goal of servicing 100 girls by 2020. CID is managed by the same social work team that implemented the pilot project with InREACH and the groups co-ordinate their efforts.

CID had selected an additional 40 girls to participate in the project for 2019 and will add an additional 40 girls in 2020. All the girls reside in the Municipality of Sunder Haricha. They receive our 5-year commitment for the purchase of uniforms, books and supplies in exchange for their, and their parents' commitment to stay in school. CID directly purchases the various supplies and provides them to the girls and their parents.

The Organization had a visit to the schools in Sunder Haricha and the homes of various girls in 2019.

#### **Juna Limbu Health Care**

During the Organization's visit to the girls in the Stay-in-School program it was revealed that one student, Juna Limbu, was diagnosed with acute childhood leukemia. We mobilized our network of support both within Nepal and elsewhere to determine a care protocol and create a plan for her treatment. Juna was taken to B P Koirala Memorial Cancer Hospital Bharatpur Nepal and her physician is the Head of Pediatric & Adolescent Oncology and hematology. An appeal to large and regular donors raised funds in December for the treatment and these funds (\$12,422 in 2019) were sent to CID to manage treatment expenses.

Unfortunately, after her third chemotherapy treatment, Juna passed away in March 2020. The remaining funds, after paying for treatment costs and other expenses, totally approximately \$8,800 and have been set aside by CID for emergency health care costs of the students in the stay-in-school Nepal program. Any funds not used for medical assistance will be allocated for the fifth year of the program costs in 2025.

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# **My 100 Percent**

## **Notes to the financial statements**

December 31, 2019

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### **5. Programming (continued)**

#### **InREACH - Nepal**

In many remote communities in Nepal children rarely pass grade 10. Many parents don't send their children to school and rather ask them to join in work. Many families are also unable to contribute for their children's education after grade 6 since they must pay annual expenses (ie the need to purchase school uniforms, books and school supplies) and, as a result of this financial stress, girls receive less priority for continued education.

My 100 Percent and InREACH Nepal had created Stay-in-School Nepal, a new 5-year pilot project in 2017, to provide financial assistance to enable 20 girls to stay in school thus reducing the drop-out rate and improving the odds that the community members can break the poverty cycle. The pilot project was the first foreign contribution program ever enacted in the municipality of Sunder Haricha Municipality-2, Morang district of Nepal.

The annual program cost is less than \$250 per child sponsored. The pilot project has proved to be successful as all the girls remained in school throughout 2018, 2019 and into 2020 while raising their school participation level. There was the additional positive benefit realized in the community as all students at the two schools, where the pilot project was active, raised their level of educational participation as well.

The pilot program was active in 2019 and remains active in 2020.

#### **Jhamtse Gatsal Children's Community**

The initial outreach initiative of the Organization was to support Jhamtse Gatsal Children's Community. Jhamtse Gatsal (jhaam'-tsay gah'-tsal) is Tibetan for "garden of love and compassion." Jhamtse Gatsal is a community, a school and a home for more than 85 children ranging in age from toddler to adolescent. Jhamtse Gatsal is in the district of Tawang in Arunachal Pradesh, India. The children, all of whom have a background of poverty and adversity, come from nearby villages. At Jhamtse Gatsal, the children are provided with a secure and loving home, including nurturing house-parents, good food, clothing, and medical care, and an excellent academic and practical education.

Jhamtse Gatsal is subject to India's Foreign Contribution (Regulation) Act ("FCRA"). The FCRA regulates the acceptance and utilization of foreign contributions. Jhamtse Gatsal used the services of a registered advisor to accept contributions from foreign entities such as the Organization. During late 2017 and throughout 2018 and 2019 Jhamtse Gatsal's lost the ability to accept funds from foreign donors due to the expiry of their registered advisor's FRCA. This resulted in a portion Organization's contribution to Jhamtse Gatsal in 2017 to be frozen. This contribution was returned to the Organization in September 2018. My 100 Percent could not send funds in 2019 due to this restriction and has accumulated donor funds earmarked for Jhamtse Gatsal for when the community can accept foreign contributions.

Jhamtse Gatsal has applied to have its own registration for FCRA. Until it is approved for FCRA or uses the services of another registered advisor, contributions to it will be limited to local donations and the personal currency limits for foreign visitors. The return of the funds previously spent in 2017 has been reflected as a credit against 2018 programming costs for Jhamtse Gatsal resulting in the net recovery reflected in the Statement of Financial Activities and Changes in Net assets.

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# **My 100 Percent**

## **Notes to the financial statements**

December 31, 2019

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### **6. Financial assets and financial liabilities**

The Organization's main financial instrument exposure is detailed as follows:

#### **Liquidity risk**

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. As the Organization currently has positive working capital this risk is considered low. There has been no change in the exposure from prior year.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The maximum exposure to credit risk is the carrying value of accounts receivable on the statement of financial position. Management believes concentrations of credit risk with respect to amounts receivable are limited due to the nature of the receivables.

#### **Market risk**

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is exposed to market risks on their investments.

#### **Other risks**

Management believes that the Organization is not exposed to significant interest rate or currency related to its financial instruments.

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### **7. Subsequent event**

Since January 1, 2020, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization has determined that this event is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the Covid-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

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# My 100 Percent Schedules to the financial statements

December 31, 2019

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## Schedule 1 – Schedule of Fundraising events

Year ended December 31	2019	2018
<b>Revenue</b>		
Contributions at events	\$ 4,330	\$ 320
Ticket sales	<u>3,090</u>	<u>4,635</u>
	<u>7,420</u>	<u>4,955</u>
<b>Direct expenses</b>		
Event costs	<u>1,476</u>	<u>1,844</u>
<b>Fundraising event revenue, net</b>	<b>\$ <u>5,944</u></b>	<b>\$ <u>3,111</u></b>

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## Schedule 2 – Schedule of DVD sales (costs)

Year ended December 31	2019	2018
<b>Revenue</b>		
DVD sales	\$ <u>578</u>	\$ <u>4,843</u>
<b>Direct expenses</b>		
Director royalties	1,316	683
Shipping costs	125	1,190
Production costs	84	648
Processing costs	<u>13</u>	<u>98</u>
	<u>1,538</u>	<u>2,619</u>
<b>DVD sales (costs), net</b>	<b>\$ <u>(960)</u></b>	<b>\$ <u>2,224</u></b>