WELLBEING FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019

WELLBEING FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Members of WEllbeing Foundation:

Opinion
We have audited the financial statements of WEllbeing Foundation that comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets (deficiency) and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WEllbeing Foundation as at December 31, 2019, and the results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The financial statements of the Foundation for the year ended December 31, 2018 were audited by another firm of public accountants, who expressed an unqualified opinion on those statements on July 2, 2019.

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.

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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 judgement 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.

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.

TurnerMoore LLP

July 8, 2020
Richmond Hill, Ontario

Chartered Professional Accountants
Licensed Public Accountants

WELLBEING FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash	**$ 1,663,156**	$ 1,197,711
Contributions receivable	**-**	50,000
Due from government agencies	**25,494**	1,352
	1,688,650	1,249,063
Assets held in trust	**-**	751,146
	$ 1,688,650	$ 2,000,209
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 47,868**	$ 13,700
Deferred contributions *(Note 3)*	**1,471,040**	1,849,366
Other payables *(Note 4)*	**18,021**	169,046
	1,536,929	2,032,112
NET ASSETS (DEFICIENCY)		
Net assets (deficiency)	**151,721**	(31,903)
	$ 1,688,650	$ 2,000,209

Approved on behalf of the Board:

________________________ Director

WELLBEING FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS (DEFICIENCY)
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
NET DEFICIENCY, BEGINNING OF THE YEAR	**$ (31,903)**	$ -
Excess (deficiency) Of Revenue Over Expenditures	**183,624**	(31,903)
NET ASSETS (DEFICIENCY), END OF YEAR	**$ 151,721**	$ (31,903)

WELLBEING FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
REVENUE		
Restricted donations - amortization of deferred contributions *(Note 3)*	**$ 2,536,834**	$ 171,224
Unrestricted donations	**274,845**	-
Contributions in kind	**14,623**	10,450
	2,826,302	181,674
EXPENDITURES		
Programs		
Contributions to WE Charity *(Note 4)*	**1,800,000**	-
Direct costs	**411,953**	105,768
Wages and salaries	**248,935**	55,146
Travel	**34,301**	1,536
Meals and entertainment	**16,587**	549
Office	**14,822**	761
Occupancy costs	**10,236**	7,464
	2,536,834	171,224
Administration		
Professional fees	**69,769**	15,811
Wages and salaries	**25,606**	19,097
Occupancy costs	**4,387**	2,986
Office supplies	**3,265**	908
Meals and entertainment	**1,024**	469
Bank charges and interest	**899**	491
Travel	**894**	2,591
	105,844	42,353
	2,642,678	213,577
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	**$ 183,624**	$ (31,903)

WELLBEING FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
OPERATING ACTIVITIES		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	**$ 183,624**	$ (31,903)
Changes in non-cash working capital		
Contributions receivable	**50,000**	(50,000)
Due from government agencies	**(24,142)**	(1,352)
Assets held in trust	**751,146**	(751,146)
Accounts payable and accrued liabilities	**34,168**	13,700
Deferred contributions	**(378,326)**	1,849,366
Net cash provided by operations	**616,470**	1,028,665
FINANCING ACTIVITIES		
Other payables	**(151,025)**	169,046
Net cash used in financing activities	**(151,025)**	169,046
Net increase in cash and cash equivalents	**465,445**	1,197,711
Cash, beginning the year	**1,197,711**	-
Cash, end the year	**$ 1,663,156**	$ 1,197,711

1 NATURE OF OPERATIONS

WEllbeing Foundation's (the "Foundation") mission is to advance education and promote health by providing mental health and fitness training programs to enable Canadians to understand the cause of mental health issues, learn about strategies to maintain and regain mental health and reduce stigma associated with mental health issues.

The Foundation was incorporated on January 29, 2018 under the provision of Part II of the Canada Corporations Act as a non-profit corporation without share capital. It is a registered charity under the Income Tax Act, and as a result, the organization is exempt from income taxation under Section 149 of the Income Tax Act.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organization (ASNPO) and are in accordance with Canadian generally accepted accounting principles which include the following significant accounting policies:

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions, which are comprised of general and in-kind donations.

Restricted contributions for specific programs are deferred and recognized as revenue in the year 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 determined and collection is reasonably assured. The Foundation recognizes 10% of restricted contributions annually to cover its administrative costs.

Contributed assets and services

Contributed assets and supplies are recognized when fair value can be reasonably determined and the goods are used in the normal course of operations. Contributed supplies are expensed when received. Contributed assets are capitalized at fair value on the date of contribution.
While the Foundation also benefits from contributed services, due to the difficulty in determining their fair value, the value of contributed services has not been reflected in these financial statements.

Foreign currency translation

The Foundation uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at the balance sheet date. Revenue and expense accounts are translated at the exchange rates prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in operations for the year in which they occur.

Use of Estimates

When preparing financial statements according to ASNFPO, management is required to make certain estimates and assumptions relating to the:

- Reported amounts of revenue and expenses for the year;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities at the report date

Assumptions are based on a number of factors, including historical experience, current events and actions that the Foundation may undertake in future, and other assumptions believed reasonable under the circumstances. These estimates are periodically reviewed and, accordingly, adjustments made to these estimates are taken into income in the year in which it is determined. These estimates are subject to measurement uncertainty, and actual results may therefore differ from those estimates. Estimates are used when accounting for certain items, such as allowance for doubtful accounts, accruals and any adjustments necessary are reported in the current peiod operations in which they become known.

Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, contributions receivable and assets held in trust.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and other payables.

The Foundation has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

3 DEFERRED CONTRIBUTIONS

	2019	2018
Balance - beginning of year	**$ 1,849,366**	$ -
Restricted contributions received	**2,158,508**	2,020,590
Less: amount recognized as revenue	**(2,536,834)**	(171,224)
	$ 1,471,040	$ 1,849,366

4 ECONOMIC INTEREST

During the year, the Foundation received program and administrative support at cost from a charitable organization that shares the same mission and values. In the year, the Foundation made donation to the organization in a total amount of $ 1,800,000 (2018 - $ Nil). The Foundation has a balance owing of $ 18,021 to the organization as at December 31, 2019 (2018 - $ 169,046).

5 FINANCIAL INSTRUMENTS

Risks and concentrations

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides a measure of the Foundation's risk exposure and concentrations at December 31, 2019:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss from the other party by failing to discharge an obligation. The Foundation's exposure to credit risk is principally derived from its cash balances and contributions receivable from donors. In order to reduce its credit risk, the Foundation recognizes contributions receivable only when there is reasonable expectation of collection. The Foundation has historically not had any significant issues with collection. The Foundation manages its credit risk from cash balances by maintaining its accounts with creditworthy financial institutions.

Liquidity Risk

Liquidity risk is the risk that an entity 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. The Foundation believes that its recurring financial resources are adequate to cover all its expenditures.