

**Mothers Against Drunk Driving (MADD Canada)  
Les mères contre l'alcool au volant  
(MADD Canada)**

**Financial statements  
March 31, 2023**



# Independent auditor's report

To the Members of  
**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

## Qualified opinion

We have audited the financial statements of **Mothers Against Drunk Driving (MADD Canada) – Les mères contre l'alcool au volant (MADD Canada)**, which comprise the statement of financial position as at March 31, 2023, and the statement of operations, statement of changes in net assets and statement of cash flows for year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of MADD Canada as at March 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 qualified opinion

In common with many charitable organizations, MADD Canada derives revenue from the general public as donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of MADD Canada. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, and cash flows provided by (used in) operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements as at and for the year ended March 31, 2022 was modified accordingly because of the 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 MADD Canada 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 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 MADD Canada'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 MADD Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing MADD Canada'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 MADD Canada'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 MADD Canada'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 MADD Canada 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.

*Ernst & Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
September 7, 2023



**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**Statement of financial position**

As at March 31

	2023	2022
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	4,365,546	3,390,044
Restricted cash <i>[note 7]</i>	213,454	1,165,725
Accounts receivable	219,904	313,507
Other assets <i>[note 3]</i>	399,743	438,823
Investments, amortized cost <i>[note 4]</i>	—	800,871
<b>Total current assets</b>	<b>5,198,647</b>	<b>6,108,970</b>
Investments, fair value <i>[note 4]</i>	3,270,938	3,263,507
Capital assets, net <i>[note 6]</i>	124,145	343,280
	<b>8,593,730</b>	<b>9,715,757</b>
<b>Liabilities and net assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	549,336	419,940
Deferred contributions <i>[note 7]</i>	632,737	1,413,235
<b>Total current liabilities</b>	<b>1,182,073</b>	<b>1,833,175</b>
Deferred capital contributions <i>[note 8]</i>	113,551	339,037
<b>Total liabilities</b>	<b>1,295,624</b>	<b>2,172,212</b>
Commitments <i>[note 11]</i>		
<b>Net assets</b>		
Internally restricted – victim bursaries <i>[note 5]</i>	372,455	595,588
Internally restricted – provincial monuments <i>[note 5]</i>	110,834	110,834
Unrestricted – National	5,195,016	5,121,644
Unrestricted – Chapters	1,619,801	1,715,479
<b>Total net assets</b>	<b>7,298,106</b>	<b>7,543,545</b>
	<b>8,593,730</b>	<b>9,715,757</b>

See accompanying notes

On behalf of the Board:

  
 Director

  
 Director

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**Statement of operations**

Year ended March 31

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Revenue</b>		
Gifts in kind <i>[note 9]</i>	<b>29,821,974</b>	26,747,894
Donations <i>[note 7]</i>	<b>4,643,495</b>	4,504,045
Corporate gifts <i>[notes 7 and 8]</i>	<b>3,089,147</b>	4,230,196
Foundation grants <i>[note 7]</i>	<b>236,249</b>	238,438
Government <i>[note 7]</i>	<b>120,267</b>	165,436
Charitable gaming	<b>184,983</b>	163,237
School Program fees	<b>10,600</b>	6,150
Investment income	<b>132,477</b>	179,953
Other	<b>13,500</b>	74,405
	<b>38,252,692</b>	36,309,754
<b>Expenses <i>[note 10]</i></b>		
Programs		
Public service announcements <i>[note 9]</i>	<b>29,821,974</b>	26,747,894
Public education, public awareness and research	<b>2,685,278</b>	2,640,241
Youth	<b>2,120,769</b>	2,447,278
Victim services	<b>932,309</b>	604,974
	<b>35,560,330</b>	32,440,387
Public outreach campaigns [fundraising]	<b>2,404,046</b>	2,426,223
General and administration	<b>533,755</b>	499,976
	<b>38,498,131</b>	35,366,586
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>(245,439)</b>	943,168

See accompanying notes

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**Statement of changes in net assets**

	Internally restricted – victim bursaries \$	Internally restricted – provincial monuments \$	Unrestricted – National \$	Unrestricted – Chapters \$	Total \$
<b>Net assets, March 31, 2022</b>	595,588	110,834	5,121,644	1,715,479	7,543,545
Deficiency of revenue over expenses for the year	—	—	(149,761)	(95,678)	(245,439)
Transfer to (from) internally restricted net assets <i>[note 5]</i>	(223,133)	—	223,133	—	—
<b>Net assets, March 31, 2023</b>	<b>372,455</b>	<b>110,834</b>	<b>5,195,016</b>	<b>1,619,801</b>	<b>7,298,106</b>

	Internally restricted – victim bursaries \$	Internally restricted – provincial monuments \$	Unrestricted – National \$	Unrestricted – Chapters \$	Total \$
<b>Net assets, March 31, 2021</b>	563,106	—	4,486,963	1,550,308	6,600,377
Excess of revenue over expenses for the year	—	—	777,997	165,171	943,168
Transfer to (from) internally restricted net assets <i>[note 5]</i>	32,482	110,834	(143,316)	—	—
<b>Net assets, March 31, 2022</b>	<b>595,588</b>	<b>110,834</b>	<b>5,121,644</b>	<b>1,715,479</b>	<b>7,543,545</b>

*See accompanying notes*

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**Statement of cash flows**

Year ended March 31

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	<b>(245,439)</b>	943,168
Add (deduct) items not involving cash		
Amortization of capital assets	<b>232,546</b>	451,198
Amortization of deferred capital contributions	<b>(225,486)</b>	(446,467)
Gain on disposal of capital assets	—	(65,000)
Reinvested investment income	<b>(105,647)</b>	(156,367)
Unrealized loss on investments	<b>99,087</b>	43,564
	<b>(244,939)</b>	770,096
Changes in non-cash working capital balances related to operations		
Accounts receivable	<b>93,603</b>	105,511
Other assets	<b>39,080</b>	18,506
Accounts payable and accrued liabilities	<b>129,396</b>	(107,858)
Deferred contributions	<b>(780,498)</b>	213,821
<b>Cash provided by (used in) operating activities</b>	<b>(763,358)</b>	1,000,076
<b>Investing activities</b>		
Proceeds on disposal of capital assets	—	65,000
Purchase of capital assets	<b>(13,411)</b>	—
Withdrawal (purchase) of investments, net	<b>800,000</b>	(1,200,000)
<b>Cash provided by (used in) investing activities</b>	<b>786,589</b>	(1,135,000)
<b>Net increase (decrease) in cash during the year</b>	<b>23,231</b>	(134,924)
Cash, beginning of year	<b>4,555,769</b>	4,690,693
<b>Cash, end of year</b>	<b>4,579,000</b>	4,555,769
Cash	<b>4,365,546</b>	3,390,044
Restricted cash	<b>213,454</b>	1,165,725
<b>Cash, end of year</b>	<b>4,579,000</b>	4,555,769

See accompanying notes

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**Notes to financial statements**

March 31, 2023

**1. Organization**

Mothers Against Drunk Driving (MADD Canada) – Les mères contre l'alcool au volant (MADD Canada) ["MADD Canada"] is a national grassroots organization founded in 1990 whose mission is to stop impaired driving and to support victims of this violent crime. MADD Canada's primary objectives include offering support services to victims, heightening awareness of the dangers of impaired driving, saving lives and preventing deaths and injuries on our roads and waterways. The organization has an extensive network of Chapters, Community Leaders, members and volunteers promoting the mission of MADD Canada.

MADD Canada has continued under the *Canada Not-for-profit Corporations Act*, is registered as a charitable organization under the *Income Tax Act (Canada)* and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

**2. Summary of significant accounting policies**

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

**Basis of presentation**

These financial statements represent the financial activities of MADD Canada's national office, Chapters and Community Leaders.

**Financial instruments**

Investments reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds and any investments in fixed income securities that MADD Canada designates upon purchase to be measured at fair value. Transaction costs are recognized in the statement of operations in the year during which they are incurred.

Investments in fixed-income securities not designated to be measured at fair value are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost using the straight-line method, less any provision for impairment.

All transactions are recorded on a trade date basis.

**Other assets**

Costs directly related to the development of future School Program presentations are presented as other assets when MADD Canada can reliably demonstrate that there is a future economic benefit associated with these costs. These costs are expensed over their useful life, which is the period over which the presentations occur. Such costs are expensed immediately when there is insufficient evidence to support a future economic benefit.



**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**Notes to financial statements**

March 31, 2023

**Capital assets**

Purchased capital assets are recorded at acquisition cost. Donated capital assets are recorded at their fair value at the acquisition date when this value can be reasonably estimated. Capital assets are being amortized over their estimated useful lives on a straight-line basis. The annual amortization rates are as follows:

SmartWheels vehicle	5–6 years
Other vehicles	2 years
School Program equipment	2 years
SmartWheels equipment	3 years
Computer hardware	2 years
Furniture	2 years

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to MADD Canada's ability to provide goods and services. Any impairment results in a write-down of the asset and an expense in the statement of operations. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

**Revenue recognition**

MADD Canada follows the deferral method of accounting for contributions, which include grants and donations. Grants and bequests are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

Revenue from the School Program is recognized as presentations occur.

Investment income, which includes interest, dividends, unrealized and realized gains and losses, is recognized on an accrual basis in the statement of operations.

**Defined contribution pension plan**

Contributions to a defined contribution plan are expensed on an accrual basis.

**Allocation of expenses**

MADD Canada classifies expenses by function. The cost of each function includes amounts for personnel, premises and other expenses. Where an expenditure directly benefits more than one function, it is attributed on a reasonable basis.

**Mothers Against Drunk Driving (MADD Canada)**  
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**Notes to financial statements**

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The functions are as follows:

*Public education, public awareness and research*

MADD Canada's public education, public awareness and research programs offer a diverse range of campaigns, materials and services supporting MADD Canada's mission to stop impaired driving and to support victims of this violent crime. Programs such as Campaign 911 and Project Red Ribbon raise awareness about impaired driving and educate the public on how they can help reduce the incidents of impaired driving crashes. MADD Canada produces publications that inform about the state of impaired driving in Canada, examine the effectiveness of Canadian laws and legislation and support policy positions.

*Youth programs*

MADD Canada is committed to working with youth to help make our roads safer and reaches out to high school and elementary students and their families, teachers and mentors, primarily through the School Program, SmartWheels and Weed Out the Risk, in targeting its message.

*Victim services*

Thousands of Canadians are personally affected each year by impaired driving, and MADD Canada reaches out to victims. Support includes assisting impaired driving victims and their families and friends, Victim Services Volunteer Training and the Annual Conference for Victims of Impaired Driving and Candlelight Vigil of Hope and Remembrance.

*Public outreach campaigns [fundraising]*

Public outreach campaigns include contacting the public by mail and by phone, while raising funds to further MADD Canada's mission. These campaigns inform the public of ways to prevent impaired driving and available victims' services, as well as about the programs that MADD Canada offers, including youth education.

*General and administrative*

General and administrative expenses are incurred to operate MADD Canada, support its programs in a cost-effective manner and maximize opportunities to further MADD Canada's mission.

**Contributed materials and services**

MADD Canada records contributed materials and services when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

MADD Canada benefits from the services of over 7,500 volunteers. Accomplishing the objectives of the organization would not be possible without their dedication. Because of the difficulty in determining their fair value, contributed services of volunteers are not recorded in the financial statements.

**Mothers Against Drunk Driving (MADD Canada)**  
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**Notes to financial statements**

March 31, 2023

**Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses. Areas requiring the use of management's estimates include the estimated useful lives of capital assets and assumptions used in the valuation of gifts-in-kind revenue. Actual results could differ from those estimates.

**3. Other assets**

Other assets consist of the following:

	<b>2023</b>	<b>2022</b>
	\$	\$
Development costs of next year's School Program presentations	<b>179,128</b>	182,839
Inventory, insurance, rent and other	<b>44,825</b>	192,569
Conferences	<b>175,790</b>	63,415
	<b>399,743</b>	438,823

**4. Investments**

[a] Investments consist of the following:

	<b>2023</b>	<b>2022</b>
<b>Carrying value</b>	\$	\$
Cash [b]	<b>585</b>	605
Units in balanced pooled fund [d]	<b>3,256,220</b>	3,244,736
Cash surrender value of life insurance policy [e]	<b>14,133</b>	18,166
	<b>3,270,938</b>	3,263,507
Guaranteed investment certificate [c]	—	800,871
	<b>3,270,938</b>	4,064,378

All investments, other than the guaranteed investment certificate, have been classified as long-term since MADD Canada does not intend to use these funds in the next 12 months.

[b] Cash is held in a premium interest account at a Canadian chartered bank yielding prime less 2% [2022 – prime less 2%].

[c] The guaranteed investment certificate, with an interest rate of 0.75%, matured in February 2023.

**Mothers Against Drunk Driving (MADD Canada)**  
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**Notes to financial statements**

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[d] The asset mix of the balanced pooled fund is as follows:

	2023		2022	
	\$	%	\$	%
Fixed income				
Government	423,309	13	421,816	13
Corporate	455,871	14	454,263	14
Cash	32,562	1	32,447	1
	<b>911,742</b>	<b>28</b>	908,526	28
Equities				
Canadian	781,493	24	843,631	26
U.S.	716,368	22	811,184	25
Other international	814,055	25	648,947	20
	<b>2,311,916</b>	<b>71</b>	2,303,762	71
Cash and cash equivalents	32,562	1	32,448	1
	<b>3,256,220</b>	<b>100</b>	3,244,736	100

[e] MADD Canada is the owner and beneficiary of a life insurance policy with a face value of \$125,000 as at March 31, 2023 and 2022.

[f] Investments are held for the following purposes:

	2023	2022
	\$	\$
Internally restricted net assets – victim bursaries	372,455	595,588
Other	2,898,483	3,468,790
	<b>3,270,938</b>	4,064,378

**5. Internally restricted net assets**

MADD Canada's Board of Directors [the "Board"] has internally restricted an amount of net assets for the formation of a scholarship program for Canadian citizens who have themselves been severely injured or who have had a parent [or legal guardian] or sibling killed or severely injured as a result of an impaired driving crash. During 2023, the Board transferred surplus amounts of \$223,133 from internally restricted – victim bursaries net assets to unrestricted – National net assets [2022 – \$143,316 from unrestricted – National net assets to internally restricted – victim bursaries].

During 2022, the Board restricted donations received of \$110,834 for the construction of Provincial monuments in Ontario and British Columbia.

**Mothers Against Drunk Driving (MADD Canada)**  
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**Notes to financial statements**

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These internally restricted amounts, and investment income generated by the investments held for these amounts, are not available for other purposes without approval of the Board.

**6. Capital assets**

Capital assets consist of the following:

	<b>2023</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
SmartWheels vehicle	1,179,584	1,064,156	115,428
SmartWheels equipment	178,352	178,352	—
Other vehicles	173,216	173,216	—
School Program equipment	126,257	117,540	8,717
Computer hardware	41,889	41,889	—
Furniture	15,567	15,567	—
	<b>1,714,865</b>	<b>1,590,720</b>	<b>124,145</b>

  

	<b>2022</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
SmartWheels vehicle	1,179,584	848,320	331,264
SmartWheels equipment	178,352	168,702	9,650
Other vehicles	173,216	173,216	—
School Program equipment	112,846	112,846	—
Computer hardware	41,889	39,523	2,366
Furniture	15,567	15,567	—
	<b>1,701,454</b>	<b>1,358,174</b>	<b>343,280</b>

During 2022, fully amortized assets of \$111,308 were sold and removed from cost and accumulated amortization.

During 2022, MADD Canada revised its estimated useful life of the SmartWheels vehicles, resulting in additional amortization expense of \$254,760 being recorded in the year.

**Mothers Against Drunk Driving (MADD Canada)**  
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**Notes to financial statements**

March 31, 2023

**7. Deferred contributions**

Deferred contributions represent unexpended externally restricted contributions for program expenses in future years. The continuity of deferred contributions is as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Balance, beginning of year</b>	<b>1,413,235</b>	1,199,414
Amounts received during the year	<b>1,075,218</b>	2,405,449
Amounts recognized as revenue during the year	<b>(1,855,716)</b>	(2,191,628)
<b>Balance, end of year</b>	<b>632,737</b>	1,413,235

Deferred contributions consist of funds held for the following purposes:

	<b>2023</b>	<b>2022</b>
	\$	\$
Liquor Control Board of Ontario for School Program and SmartWheels		
Ontario	<b>213,454</b>	1,165,725
Other	<b>419,283</b>	247,510
	<b>632,737</b>	1,413,235

The Liquor Control Board of Ontario ["LCBO"] contribution was made on the condition that it be used in Ontario for the School Program and SmartWheels. The donation agreement with the LCBO, effective April 16, 2019, requires this funding is to be placed in a separate bank account.

Other deferred contributions represent externally restricted amounts for programs from government agencies and corporations that had not been spent by year-end.

**8. Deferred capital contributions**

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of the SmartWheels vehicles for the SmartWheels Elementary School Mobile Program in Ontario and Saskatchewan. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

Changes in the deferred capital contributions balance are as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Balance, beginning of year</b>	<b>339,037</b>	785,504
Amortization of deferred capital contributions	<b>(225,486)</b>	(446,467)
<b>Balance, end of year</b>	<b>113,551</b>	339,037

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Deferred capital contributions consist of funds held for the following purposes:

	<b>2023</b>	<b>2022</b>
	\$	\$
SmartWheels Ontario	—	100,408
SmartWheels Saskatchewan	<b>113,551</b>	238,629
	<b>113,551</b>	<b>339,037</b>

**9. Gifts in kind**

Gifts in kind include the following:

	<b>2023</b>	<b>2022</b>
	\$	\$
Donated airtime for public service announcements	<b>29,821,974</b>	26,747,894

During 2023, MADD Canada's public service announcements aired 118,370 times [2022 – 115,882 times] and were viewed by 1,464,425,980 [2022 – 1,041,027,860] individuals.

**10. Allocation of expenses**

Certain common operating expenses are allocated to functions reported in the statement of operations as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Public education, public awareness and research	<b>147,935</b>	140,705
Youth	<b>125,176</b>	118,955
Victim services	<b>49,312</b>	45,814
Public outreach campaigns [fundraising]	<b>11,380</b>	10,456
	<b>333,803</b>	<b>315,930</b>

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**Notes to financial statements**

March 31, 2023

**11. Commitments**

MADD Canada rents office premises and equipment for its national office under a lease that expires on September 30, 2025. The future minimum annual lease payments are as follows:

	\$
2024	176,392
2025	172,992
2026	43,078
	<u>392,462</u>

**12. Financial instruments and risk management**

MADD Canada manages its exposure to the risks associated with financial instruments that affect its operating and financial performance in accordance with its risk management policy. The objective of the policy is to reduce volatility in cash flows and operating results.

**Credit risk**

Credit risk arises from the possibility of a party defaulting on its financial obligations. MADD Canada is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, which would cause it to incur a financial loss.

The total amount of cash, accounts receivable, guaranteed investment certificates and investments in a pooled fund that holds fixed income securities corresponds to MADD Canada's maximum exposure to credit risk.

*Cash, guaranteed investment certificates and fixed-income securities*

Credit risk associated with cash, guaranteed investment certificates and fixed-income securities is minimized by depositing cash with Canadian chartered banks and investing in guaranteed investment certificates and a pooled fund that holds fixed-income securities issued by Canada Deposit Insurance Corporation insured financial institutions.

*Accounts receivable*

Credit risk associated with accounts receivable is minimal since MADD Canada holds few accounts and other receivables.

**Liquidity risk**

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they come due.

MADD Canada manages its liquidity risk by monitoring forecasted and actual cash flow and financial liability maturities, and by holding sufficient assets that can be readily converted into cash. Accounts payable and accrued liabilities are normally repaid within 30 days. Obligations reported as deferred contributions must generally be fulfilled within the next fiscal year.



**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**Notes to financial statements**

March 31, 2023

**Market risk**

MADD Canada is exposed to market risk arising from changes in the fair value of financial instruments due to market price fluctuations. Market risk consists of currency risk, interest rate risk and other price risk.

*Currency risk*

Currency risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in foreign exchange rates. MADD Canada is exposed to currency risk with respect to the underlying investments in certain pooled funds denominated in foreign currencies.

*Interest rate risk*

Interest rate risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in market interest rates.

MADD Canada is exposed to interest rate risk with regard to its cash, its guaranteed investment certificates and its investments in a pooled fund that holds fixed-income securities. MADD Canada has no interest-bearing liabilities.

MADD Canada's cash includes amounts on deposit with financial institutions that earn interest at the market rate. MADD Canada's investments also include guaranteed investment certificates and fixed-income securities that earn a fixed rate of return.

MADD Canada manages its exposure to interest rate risk by minimizing its capital investment risks while achieving a satisfactory return and maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market interest rates on cash do not have a significant impact on MADD Canada's results of operations.

*Other price risk*

MADD Canada is exposed to other price risk through changes in market prices [other than changes arising from interest rate risk or currency risk] in connection with its investments in pooled funds. MADD Canada manages this risk by investing in a balanced pooled fund with an asset mix that is designed to maximize returns within reasonable risk tolerances.