

Financial Statements of

**CANUCKS FOR KIDS FUND**

And Independent Auditors' Report thereon

Year ended July 31, 2022



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Canucks for Kids Fund

### Report on Audit of Financial Statements

#### *Qualified Opinion*

We have audited the financial statements of Canucks for Kids Fund (the Fund), which comprise:

- the statement of financial position as at July 31, 2022
- the statement of operations for the year then ended
- the statement of 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, except for the possible effects of the matter described in the “**Basis for Qualified Opinion**” section of our auditors’ report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at July 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 Qualified Opinion*

In common with many not-for-profit organizations, the Fund derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Fund.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at July 31, 2022 and July 31, 2021;
- the community events revenue, Canuck Place designated revenue, Canucks Family Education Centre designated revenue, donations revenue and excess of revenues over expenses reported in the statements of revenue and expenses for the years ended July 31, 2022 and July 31, 2021;

- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended July 31, 2022 and July 31, 2021; and
- the excess of revenues over expenses reported in the statements of cash flows for the years ended July 31, 2022 and July 31, 2021.

Our opinion on the financial statements for the year ended July 31, 2021 was qualified 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 “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Fund 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 the Fund’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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund’s financial reporting process.

### ***Auditors’ 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 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 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.

- 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 Fund'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 Fund'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 Fund 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.

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants

Vancouver, Canada  
[REDACTED]

# CANUCKS FOR KIDS FUND

## Statement of Financial Position

July 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 9,029,094	\$ 2,825,632
Accounts receivable	508,964	1,628
GST receivable	20,618	16,637
Prepaid expenses	18,405	1,655
	<hr/>	<hr/>
	\$ 9,577,081	\$ 2,845,552
<b>Liabilities and Net Assets</b>		
Current liability:		
Accounts payable and accrued liabilities (note 3)	\$ 240,392	\$ 249,920
Deferred event revenue	88,250	-
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	328,642	249,920
Net assets:		
Unrestricted	8,576,914	2,595,632
Restricted	671,525	-
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	9,248,439	2,595,632
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	\$ 9,577,081	\$ 2,845,552

See accompanying notes to financial statements.

Approved on behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# CANUCKS FOR KIDS FUND

## Statement of Operations

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

	2022			2021		
	Restricted Fund	Unrestricted Fund	Total	Restricted Fund	Unrestricted Fund	Total
<b>Revenue:</b>						
Community events	\$ -	\$ 844,996	\$ 844,996	\$ -	\$ 120,417	\$ 120,417
Canuck Place designated	12,005	-	12,005	13,141	-	13,141
Canucks Family Education Centre designated	6,839	-	6,839	13,486	-	13,486
50/50 draws, net	1,925,720	7,815,021	9,740,741	362,783	7,384,663	7,747,446
Donations (note 3)	15,803	504,658	520,461	12,416	350,769	363,185
Canada Emergency Wage Subsidy (note 5)	-	34,109	34,109	-	47,512	47,512
Interest income	-	20,737	20,737	-	-	-
	1,960,367	9,219,521	11,179,888	401,826	7,903,361	8,305,187
<b>Expenses:</b>						
Fin's Friends Program (note 3)	-	5,519	5,519	-	-	-
Canucks Centre for BC Hockey (note 3)	-	21,575	21,575	-	22,473	22,473
Fundraising and administrative (note 3)	138,859	1,702,790	1,841,649	-	1,427,824	1,427,824
	138,859	1,729,884	1,868,743	-	1,450,297	1,450,297
Excess of revenue over expenses before donations	1,821,508	7,489,637	9,311,145	401,826	6,453,064	6,854,890
Donations (note 4)	1,149,983	1,508,355	2,658,338	402,795	6,253,057	6,655,852
Excess (deficiency) of revenue over expenses	\$ 671,525	\$ 5,981,282	\$ 6,652,807	\$ (969)	\$ 200,007	\$ 199,038

See accompanying notes to financial statements.

# CANUCKS FOR KIDS FUND

## Statement of Changes in Net Assets (Deficiency)

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

	2022			2021		
	Restricted Fund	Unrestricted Fund	Total	Restricted Fund	Unrestricted Fund	Total
Balance, beginning of year	\$ -	\$ 2,595,632	\$ 2,595,632	\$ 969	\$ 2,395,625	\$ 2,396,594
Excess of revenue over expenses	671,525	5,981,282	6,652,807	(969)	200,007	199,038
Balance, end of year	\$ 671,525	\$ 8,576,914	\$ 9,248,439	\$ -	\$ 2,595,632	\$ 2,595,632

See accompanying notes to financial statements.

# CANUCKS FOR KIDS FUND

## Statement of Cash Flows

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

	2022	2021
Cash provided by (used for):		
Operations:		
Excess of revenue over expenses	\$ 6,652,807	\$ 199,038
Changes in non-cash operating items:		
Accounts receivable	(507,336)	332,715
GST receivable	(3,981)	10,015
Prepaid expenses	(16,750)	3,150
Accounts payable and accrued liabilities	(9,528)	(10,518)
Deferred event revenues	88,250	-
Due to related parties	-	(400,000)
Increase in cash	6,203,462	134,400
Cash, beginning of year	2,825,632	2,691,232
Cash, end of year	\$ 9,029,094	\$ 2,825,632

See accompanying notes to financial statements.



# CANUCKS FOR KIDS FUND

Notes to Financial Statements

Year ended July 31, 2022

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## 1. Operations:

The Canucks for Kids Fund (the Fund) is incorporated under the Societies Act (British Columbia) and is exempt from income taxes as a public foundation under the Income Tax Act. The Fund provides support, directly and indirectly, to children's recreational, health, education and other organizations and facilities. The Fund's primary sources of revenue are proceeds raised from 50/50 draws at Vancouver Canucks games under a provincial gaming license held by the Fund, and public donations at community events organized by the Fund.

## 2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants (CPA) Handbook – *Accounting* and incorporate the following significant accounting policies:

### (a) Revenue recognition:

The Fund follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recorded as revenue of the Unrestricted Fund in the period they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to general operations are deferred and recognized as revenue of the Unrestricted Fund in the year in which the related expenses are incurred.

Contributions that are externally restricted for a specific cause, event or organization supported by the Fund for which there is a corresponding restricted fund are recognized as revenue of the Restricted Fund in the period in which they are received.

50/50 revenue is recorded net proceeds received from the draw.

### (b) Deferred event revenue:

Deferred event revenue consists of amounts received in the current year that are related to fundraising events to be held subsequent to the year end. These amounts are recognized as revenue when the events are held.

### (c) Contributed services:

The Fund's office is located in premises provided on a rent-free basis by Vancouver Arena Limited Partnership (VALP). In addition, a number of volunteers contribute their time to the Fund each year. Because of the difficulty in determining their fair value, the free rent and contributed services are not recognized in the financial statements.

# CANUCKS FOR KIDS FUND

Notes to Financial Statements

Year ended July 31, 2022

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## 2. Significant accounting policies (continued):

### (d) Financial instruments:

Financial instruments are measured at fair value on origination or acquisition, adjusted by, in the case of financial instruments that will not be subsequently measured at fair value, financing fees and transaction costs, which are amortized using the straight-line method. All other transaction costs are recognized in operations in the year incurred. All financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Fund has not elected to carry any instruments at fair value.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at year-end if there is an indicator of impairment. If there is an indicator of impairment, the Fund determines if there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset. If there has been a significant adverse change, the carrying value of the financial asset is reduced to the greater of the present value of expected cash flows, the amount that could be realized by selling the asset, and the amount that could be realized by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the impairment, not exceeding the initial carrying value.

### (e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

### (f) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

# CANUCKS FOR KIDS FUND

Notes to Financial Statements

Year ended July 31, 2022

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### 3. Accounts payable, accrued liabilities, and related party transactions and balances:

The Fund's Board of Directors includes certain members of senior management of Vancouver Canucks Limited Partnership (VCLP), which is related through common control to VALP and Aquilini Food Services Limited Partnership (AFSLP).

Included in administrative expenses is a charge of \$37,682 (2021 - \$44,639) for services that are provided to the Fund at cost by VALP.

Fundraising expenses include \$111,584 (2021 - \$132,743) for fundraising event expenses and the purchase of retail goods from VCLP, \$1,985 (2021 - nil) for catering services and supplies from AFSLP and \$65,285 (2021 - \$1,054) for tickets and fundraising event supplies from VALP. The retail goods, catering and building services are primarily used for 50/50 volunteer recognition and fundraising events such as the Telethon.

Program expenses for Canucks Centre for BC Hockey include \$4,864 (2021 - \$5,295) for tickets and retail goods purchased from VCLP.

Donations revenue also includes non-cash donations of VCLP season tickets with a fair value of \$146,378 (2021 - nil), with a corresponding expense recorded for the donation of the tickets to charitable organizations (see note 4).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 4. Donations:

During the year, the Fund made donations totaling nil (2021 - \$1,300,001) to Canuck Place Children's Hospice, \$5,000 (2021 - \$2,700,000) to Canuck Autism Network, \$600,000 (2021 - \$509,152) to BC Children's Hospital, \$510,000 to Red Cross (2021- nil) and \$1,543,338 (2021 - \$2,146,699) to other organizations.

### 5. Canada Emergency Wage Subsidy:

Due to the COVID-19 pandemic, the Canadian government introduced the Canada Emergency Wage Subsidy ("CEWS") to assist eligible organizations who lost a certain percentage of their qualifying revenue. During the fiscal year ended July 31, 2022, the Fund recognized CEWS totaling \$34,109 (2021 - \$47,512) on the statement of operations.

### 6. Employee remuneration:

For the fiscal year ended July 31, 2022, there was one employee which the Fund paid total remuneration of \$75,000 or more (2021 - no employee received total remuneration).

# CANUCKS FOR KIDS FUND

Notes to Financial Statements

Year ended July 31, 2022

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**7. Financial risks:**

It is management's opinion that the Fund is not exposed to significant liquidity, interest, currency, or credit risks arising from the Fund's financial instruments.

**8. Comparative information:**

Certain comparative information in the financial statements have been, where applicable, to conform to the presentation used in the current year. These changes do not affect the total prior year excess of revenue over expenses.