

Financial Statements of

CANUCKS FOR KIDS FUND

And Independent Auditor's Report thereon

Year ended July 31, 2024

ATIP Disclosure
Divulgence de l'APRP

INDEPENDENT AUDITOR'S 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, 2024
- 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 auditor's report, the financial statements present fairly, in all material respects, the financial position of the Fund as at July 31, 2024, 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 certain fundraising activities, 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, 2024 and July 31, 2023
- 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 operations for the years ended July 31, 2024 and July 31, 2023
- 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, 2024 and July 31, 2023
- the excess of revenues over expenses reported in the statements of cash flows for the years ended July 31, 2024 and July 31, 2023.

Our opinion on the financial statements for the year ended July 31, 2023 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 “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s 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.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 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 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.

CANUCKS FOR KIDS FUND

Statement of Financial Position

July 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 12,852,468	\$ 7,276,033
Accounts receivable (note 3)	94,075	88,664
Prepaid expenses	13,937	10,245
	<u>\$ 12,960,480</u>	<u>\$ 7,374,942</u>
Liabilities and Net Assets		
Current liability:		
Accounts payable and accrued liabilities (note 3)	\$ 465,381	\$ 553,056
Deferred event revenue	108,563	159,000
	<u>573,944</u>	<u>712,056</u>
Net assets:		
Unrestricted	10,964,772	5,973,086
Restricted	1,421,764	689,800
	<u>12,386,536</u>	<u>6,662,886</u>
	<u>\$ 12,960,480</u>	<u>\$ 7,374,942</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

19 (1)

Director

19 (1)

Director

CANUCKS FOR KIDS FUND

Statement of Operations

Year ended July 31, 2024, with comparative information for 2023

	2024			2023		
	Restricted Fund	Unrestricted Fund	Total	Restricted Fund	Unrestricted Fund	Total
Revenue:						
Community events	\$ -	\$ 2,280,242	\$ 2,280,242	\$ -	\$ 1,565,479	\$ 1,565,479
Canuck Place designated	15,713	-	15,713	18,725	-	18,725
Canucks Family Education Centre designated	10,939	-	10,939	11,134	-	11,134
50/50 draws, net (note 2(a))	927,035	11,489,952	12,416,987	214,587	7,492,800	7,707,387
Industry Growth Fund Program	414,570	-	414,570	-	-	-
Donations (note 3)	106,234	625,564	731,798	7,000	660,984	667,984
Interest income	-	135,295	135,295	-	350,423	350,423
	1,474,491	14,531,053	16,005,544	251,446	10,069,686	10,321,132
Expenses:						
Fin's Friends Program (note 3)	-	18,943	18,943	-	15,362	15,362
Canucks Centre for BC Hockey (note 3)	-	270,351	270,351	-	124,284	124,284
Fundraising and administrative (note 3)	206,508	3,676,971	3,883,479	-	2,520,869	2,520,869
	206,508	3,966,265	4,172,773	-	2,660,515	2,660,515
Excess of revenue over expenses before donations	1,267,983	10,564,788	11,832,771	251,446	7,409,171	7,660,617
Donations to qualified donees (note 4)	536,019	5,573,102	6,109,121	233,171	10,012,999	10,246,170
Excess (deficiency) of revenue over expenses	\$ 731,964	\$ 4,991,686	\$ 5,723,650	\$ 18,275	\$ (2,603,828)	\$ (2,585,553)

See accompanying notes to financial statements.

CANUCKS FOR KIDS FUND

Statement of Changes in Net Assets

Year ended July 31, 2024, with comparative information for 2023

	2024			2023		
	Restricted Fund	Unrestricted Fund	Total	Restricted Fund	Unrestricted Fund	Total
Balance, beginning of year	\$ 689,800	\$ 5,973,086	\$ 6,662,886	\$ 671,525	\$ 8,576,914	\$ 9,248,439
Excess (deficiency) of revenue over expenses	731,964	4,991,686	5,723,650	18,275	(2,603,828)	(2,585,553)
Balance, end of year	\$ 1,421,764	\$ 10,964,772	\$ 12,386,536	\$ 689,800	\$ 5,973,086	\$ 6,662,886

See accompanying notes to financial statements.

CANUCKS FOR KIDS FUND

Statement of Cash Flows

Year ended July 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used for):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 5,723,650	\$ (2,585,553)
Changes in non-cash operating items:		
Accounts receivable	(5,411)	420,300
GST receivable	-	20,618
Prepaid expenses	(3,692)	8,160
Accounts payable and accrued liabilities	(87,675)	312,664
Deferred event revenues	(50,437)	70,750
Increase (decrease) in cash	5,576,435	(1,753,061)
Cash, beginning of year	7,276,033	9,029,094
Cash, end of year	\$ 12,852,468	\$ 7,276,033

See accompanying notes to financial statements.

CANUCKS FOR KIDS FUND

Notes to Financial Statements

Year ended July 31, 2024

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.

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. The expenses related to the draw for the year ended July 31, 2024 were \$12,248,006 (2023 - \$7,728,313). Included in accounts payable is \$66,911 (2023 - \$137,128) of unclaimed 50/50 expenses.

(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 materials and services:

The Fund's office is located in premises provided on a rent-free basis by ^{24 (1)}

^{24 (1)}

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.

Contributed materials are recorded at fair value at the date of contribution where such fair value is determinable, a donation receipt is issued, and the contributed materials would otherwise have been purchased.

CANUCKS FOR KIDS FUND

Notes to Financial Statements

Year ended July 31, 2024

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, 2024

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

The Fund's Board of Directors includes certain members of senior management of ^{24 (1)}
^{24 (1)}
^{24 (1)}

Included in administrative expenses is a charge of \$289,210 (2023 - \$136,273) for services that are provided to the Fund at cost by ^{24 (1)}

Included in accounts receivable is \$24,000 (2023 - \$3,000) in amounts owing from ^{24 (1)}

Included in accounts payable is \$9,792 (2023 - \$1,932) in amounts owing to ^{24 (1)}

Fundraising expenses include \$225,884 (2023 - \$205,077) for fundraising event expenses and the purchase of retail goods from ^{24 (1)} \$1,880 (2023 - \$7,205) for catering services and supplies from ^{24 (1)} and \$88,231 (2023 - \$76,804) for tickets and fundraising event supplies from ^{24 (1)}. The retail goods, catering and building services are primarily used for 50/50 volunteer recognition and fundraising events such as the Telethon, Dice & Ice and Jake Milford.

Program expenses for Canucks Centre for BC Hockey include \$214,651 (2023 - \$21,722) for tickets and retail goods purchased from ^{24 (1)}

Donations revenue also includes non-cash donations of ^{24 (1)} season tickets with a fair value of \$351,690 (2023 - \$283,140), 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:

	2024	2023
Canuck Place Children's Hospice	\$ 15,713	\$ 2,030,730
Canuck Autism Network	2,154,000	2,550,000
BC Children's Hospital	100,000	607,520
Red Cross	250,000	659,000
Other	3,589,408	4,398,920
	<u>\$ 6,109,121</u>	<u>\$ 10,246,170</u>

5. Remuneration disclosures:

For the fiscal year ended July 31, 2024, the Fund paid total remuneration of \$206,864 to two employees, each of whom received total remuneration of \$75,000 or greater (2023 - two employees totaling \$182,981).

The Fund did not pay any amounts to any members of its Board of Directors.

CANUCKS FOR KIDS FUND

Notes to Financial Statements

Year ended July 31, 2024

6. Financial risks:

Cash is maintained at federally regulated Canadian chartered banks and, therefore, credit risk is viewed to be negligible.

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.

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