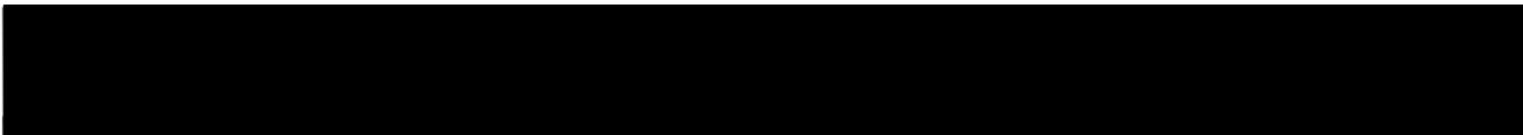


**VOCM CARES FOUNDATION
FINANCIAL STATEMENTS
AUDITED
AUGUST 31, 2017**



STATEMENT OF RESPONSIBILITY

The accompanying Financial Statements are the responsibility of the Board of Directors of the VOCM CARES FOUNDATION and have been prepared in accordance with Canadian Accounting Standards for not-for-profit organizations.

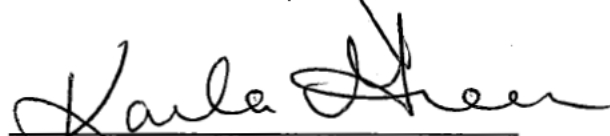
In carrying out its responsibilities, the Board maintains appropriate systems of Internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

A representative of the Board of Directors of the Foundation met with management and its external auditor to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

██████████ as the Foundation's appointed external auditor, has audited the Financial Statements. The Auditor's report is addressed to the VOCM CARES FOUNDATION and appears on the following page. His opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as he considered necessary to obtain reasonable assurance that the Financial Statements are free of material misstatement and present fairly the financial position and results of the Foundation in accordance with Canadian Accounting Standards for not-for-profit organizations.

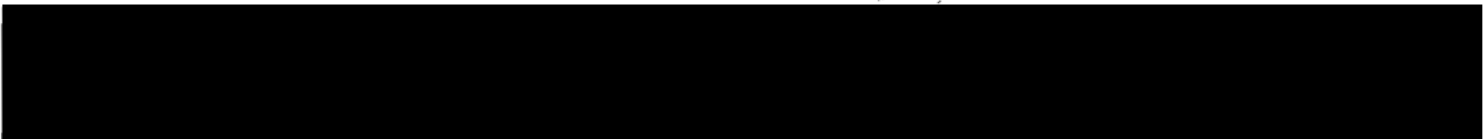


Chair



Secretary

Date Feb/5/18





INDEPENDENT AUDITOR'S REPORT

VOCM CARES FOUNDATION

I have audited the Balance sheet of the VOCM Cares Foundation as at August 31, 2017 and the statements of changes in net assets, operations and changes in cash flow for the year then ended.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether or not the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Qualification

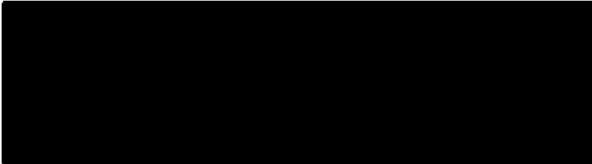
Revenue which do not arise from commercial transaction by their nature are not susceptible to complete verification by audit procedures. Accordingly, my examination was confined to a comparison of recorded revenues and bank deposits. I was unable to determine whether adjustments to cash and revenues might be necessary.

(Cont'd next page)




Opinion

In my opinion, except for the effect of adjustment, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the verification of revenue referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the VOCM Cares Foundation as at August 31, 2017, changes in net assets and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



St. John's, Canada
6-Dec-17



THE VOCM CARES FOUNDATION
INDEX TO FINANCIAL STATEMENTS
AUDITED
AUGUST 31, 2017

Balance Sheet	Statement 1
Statement of Changes in Net Assets	Statement 2
Statement of Operations	Statement 3
Statement of Cash Flows	Statement 4

**THE VOCM CARES FOUNDATION
BALANCE SHEET
AUDITED
AUGUST 31, 2017**

ASSETS

		2017	2016
Current Assets			
Cash and Temporary Investments	Note 13	\$ 844,389	\$ 781,314
Accounts Receivable	Note 4	13,384	33,816
Prepaid Expenses		41,635	47,345
		<u>899,408</u>	<u>862,475</u>
Capital Assets			
Capital Assets at Cost	Note 3	4,926	6,157
Total Assets		<u>\$ 904,334</u>	<u>\$ 868,632</u>

LIABILITIES AND NET ASSETS

Current Liabilities			
Accounts Payable and Accruals	Note 5	\$ 20,420	\$ 5,000
Deferred Income		5,500	-
		<u>25,920</u>	<u>5,000</u>
Net Assets			
Unrestricted		<u>878,414</u>	<u>863,632</u>
Total Liabilities and Net assets		<u>\$ 904,334</u>	<u>\$ 868,632</u>

ON BEHALF OF THE BOARD



DIRECTOR



DIRECTOR

**THE VOCM CARES FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017**

	Unrestricted Net Assets		2017		2016	
Net Assets, beginning of year	\$	863,632	\$	863,632	\$	657,524
Excess of revenue over expenditure		14,782		14,782		206,108
Balance, end of year	\$	878,414	\$	878,414	\$	863,632

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



THE VOCM CARES FOUNDATION
STATEMENT OF OPERATIONS
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017

REVENUE

Revenue	2017	2016
Donations	\$ 6,870	\$ 37,252
Radio Bingo	1,095,389	1,400,790
Charity Golf Tournament	-	27,580
Christmas Cards	26,033	43,976
VOCM Happy Tree	35,511	56,479
Other Fund-Raising Activities	28,537	18,346
Miscellaneous Income	5,778	5,201
Interest Income	6,428	6,971
Total Revenue	\$ 1,204,546	\$ 1,596,595

EXPENDITURES**Direct Expenditures**

Radio Bingo	\$ 692,080	\$ 781,078
Golf Tournament	-	14,187
Christmas Cards	20,894	17,633
VOCM Happy Tree	32,535	25,506
Charitable Activities	294,946	364,350
	1,040,455	1,202,754
Revenue in excess of Direct Expenditures	164,091	393,841

Administrative Expenditures

Advertising and Promotion	10,292	14,992
Amortization	1,231	1,539
Bad Debt Expense	-	5,000
Lease, Equipment and Space Rental	13,650	10,015
Interest and Bank charges	1,867	2,871
Postage, Telephone and Office Supplies	4,703	4,827
Professional fees and Training	13,882	7,961
Repairs and Maintenance	175	1,741
Admin fees, Salaries and Utilities, etc.	94,203	129,129
Travel and Meetings	3,830	3,778
Insurance	1,209	1,160
Other	4,267	4,720
	149,309	187,733

Excess of Revenue over Expenditures	\$ 14,782	\$ 206,108
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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**THE VOCM CARES FOUNDATION
STATEMENT OF CASH FLOWS
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017**

	2017	2016
Cash provided from (Used for)		
Operations		
Excess of Revenue over Expenditures	\$ 14,782	\$ 206,108
Add item not involving Cash	1,231	1,539
	<u>16,013</u>	<u>207,647</u>
Changes In Non-cash working Capital		
Accounts Receivable	20,432	6,655
Prepaid Expenses	5,710	5,910
Deferred Income	5,500	-
Accounts Payable and Accruals Liabilities	15,420	(20,919)
	<u>47,062</u>	<u>(8,354)</u>
Investing Activities		
Sale (Purchase) of equipment	-	-
	<u>-</u>	<u>-</u>
Net cash Provided	63,075	199,293
Cash beginning of year	781,314	582,021
Cash end of year	<u>\$ 844,389</u>	<u>\$ 781,314</u>

Note: Cash Represented By:

Cash in bank	\$ 445,953	\$ (13,022)
Certificate of Deposits	398,136	794,036
Other	300	300
Total Cash	<u>\$ 844,389</u>	<u>\$ 781,314</u>

**THE VOCM CARES FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017**

1. Purpose of the organization

VOCM Cares is incorporated under the Corporations Act of Newfoundland as an association not having share capital. Liability of the members is by guarantee, which is limited to \$1 per member. In addition, it is a not-for-profit organization which, effective September 1, 1983, was registered as a public foundation. Foundations are income tax exempt provided certain expenditure and other requirements are met. VOCM Cares Foundation raises funds from bingo and other fundraising activities and distributes such fund to community organizations in NL.

2. Summary of Significant Accounting Policies:

These financial statements are prepared in accordance with Part 111 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 as summarized below.

a) Revenue Recognition:

The foundation follows the deferral method of accounting for contributions. Contributions are recognized as revenue of the fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The foundation follows the policy of recognizing revenue from donations in the period in which they are received. All other revenue are recognized on an accrual basis.

b) Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

c) Capital assets

Purchased capital assets are recorded at cost. Amortization is calculated on a declining balance basis at rates per annum of 30% for computer equipment, 20% for furniture and office equipment

d) Investment

Investments consists of guaranteed investment certificates with maturity dates of twelve months or more, and funds maintained in a savings account.

e) Prepaid Expenses

Prepaid Expenses consists of costs incurred for the 2017 fall bingo activity.

f) Deferred Income

Deferred Income consists of monies received for activities that will take place after year end.

THE VOCM CARES FOUNDATION
NOTES TO FINANCIAL STATEMENTS CONT'D
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017

g) Contributed services

Volunteers contribute significant amounts of time to assist VOCM Cares in carrying out its activities. Due to the difficulty of determining its fair value, contributed services are not recognized in the financial statements.

h) Financial Instruments

The following policies and assumptions were used to determine the fair value of each class of financial assets and financial liabilities.

Cash, Accounts Receivable, Accounts Payable

These financial assets and liabilities held for trading are measured at their carrying amount since it is comparable to their fair value due to the approaching maturity of these financial instruments.

3. Capital Assets

	Cost	Accumulated Depreciation	Net Book Value 2017	Net Book Value 2016
Computer Equipment	\$ 51,238	\$ 51,238	\$ -	\$ -
Furniture and office equipment	13,219	8,293	4,926	6,157
	<u>\$ 64,457</u>	<u>\$ 59,531</u>	<u>\$ 4,926</u>	<u>\$ 6,157</u>

4. Accounts Receivable

	2017	2016
Bingo	\$ -	\$ 3,000
Other	3,026	4,963
HST Receivable	10,358	25,853
	<u>\$ 13,384</u>	<u>\$ 33,816</u>

5. Accounts Payable and Accruals

	2017	2016
Trade	\$ 14,420	\$ -
Accrued	6,000	5,000
	<u>\$ 20,420</u>	<u>\$ 5,000</u>

THE VOCM CARES FOUNDATION
NOTES TO FINANCIAL STATEMENTS CONT'D
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017

6. Radio Bingo

	2017	2016
Revenue from Bingo	\$ 1,095,389	\$ 1,400,790
Expenses		
Prizes	186,109	201,785
Printing	105,334	99,615
Broadcast time and advertising	83,591	75,813
Commissions	287,976	371,290
Salaries	20,680	18,710
Other	8,390	13,865
	<u>692,080</u>	<u>781,078</u>
Excess of revenue over direct expenses	<u>\$ 403,309</u>	<u>\$ 619,712</u>

7. Charity Golf Tournament

	2017	2016
Revenue from Golf Tournament	\$ -	\$ 27,580
Expenses		
Fees and rentals	-	14,187
	<u>-</u>	<u>14,187</u>
Excess of revenue over direct expenses	<u>\$ -</u>	<u>\$ 13,393</u>

8. Other fund-raising activities and expenses

	2017		2016	
	Revenue	Direct Expenses	Excess of Revenue	Excess of Revenue
Car Show	\$ 2,400	-	\$ 2,400	\$ -
Klondike event	18,286	-	18,286	10,423
Dial-a-Carol	7,851	-	7,851	7,923
	<u>\$ 28,537</u>	<u>\$ -</u>	<u>\$ 28,537</u>	<u>\$ 18,346</u>

**THE VOCM CARES FOUNDATION
NOTES TO FINANCIAL STATEMENTS CONT'D
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017**

9. List of Charitable Activities

	2017	2016
General		
Agriculture in the Classroom Inc.	-	2,500
Bay of Islands Volunteer Search and Rescue	-	5,000
Big Brothers Association	6,000	-
Boys and Girls Club	5,000	-
Bowring Park Foundation	25,000	-
Buckmaster's Circle Community	-	5,200
[REDACTED]	-	17,500
[REDACTED]	7,500	-
Canadian Cancer society	5,000	-
Canadian Hard of Hearing Association	-	13,300
Canadian Mental Health	8,124	-
Canadian Red Cross	-	50,000
Choices for Youth	-	10,000
C.N.I.B.	6,000	-
[REDACTED]	8,398	-
Community Sector Council	5,000	5,000
Commjunity Centre Alliance	-	1,600
[REDACTED]	3,500	3,500
[REDACTED]	-	5,000
[REDACTED]	-	10,000
[REDACTED]	2,750	-
[REDACTED]	2,500	-
Grenfell Foundation	-	5,000
Health Care Foundation	20,000	20,000
[REDACTED]	21,000	-
Jimmy Pratt Memorial Outreach	-	6,500
Junior Achievement of NL	4,500	4,500
Kids Eat Smart	-	11,000
Kids Help Line	5,000	-
Learning Partnership	5,000	-
Learning Disabilities	1,500	1,500
[REDACTED]	1,500	-
Lion Max Simms Memorial Camp	9,143	10,000
MacMorran Community Centre	-	3,500
[REDACTED]	-	2,000
[REDACTED]	-	2,000
[REDACTED]	-	10,000
Northwest Rotary	2,500	-
Opera on the Avalon	5,000	-
Parkisons society NL	-	2,500
Planned Parenthood	3,000	-
	162,915	207,100

THE VOCM CARES FOUNDATION
NOTES TO FINANCIAL STATEMENTS CONT'D
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017

9. List of Charitable Activities-Continued	2017	2016
Prostate Cancer Canada	-	2,000
Roman Catholic Episcopal Church	-	2,000
Roots of Empathy	-	5,500
Salvation Army	50,000	-
Scholarships	2,500	-
████████████████████	8,000	-
████████████████████	-	10,000
Smallwood Crescent Community Center	-	2,000
Smiling Land Foundation	-	10,000
Sponsorships	8,484	5,231
South and Centra; Health Foundation	-	2,500
St. Patrick's Mercy Home Foundation	-	5,000
Syrian Family, Association for New Canadians	-	15,000
The Gathering Place	-	29,667
████████████████████	3,000	-
The School Lunch Association	-	5,000
████████████████████	3,500	-
Upper Trinity South Navy League	-	6,000
Vera Perlin Society	2,500	2,500
████████████████████	25,000	-
Wonderbolt Productions Inc.	-	3,000
Wooden Boat Museum of NL	-	5,000
YMCA-St John's	6,000	-
YMCA - Humber community	-	4,000
Young Adult Cancer Canada	-	10,000
Other amounts less \$1500.	23,047	32,852
Total charitable activities	\$ 294,946	\$ 364,350

**THE VOCM CARES FOUNDATION
NOTES TO FINANCIAL STATEMENTS CONT'D
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017**

10 VOCM Happy Tree

Revenues include proceeds from donations and the Happy Tree concert. Disbursements are made for christmas activities or other VOCM cares charitable donations.

11 Restatement of Prior Year Figures

The comparative figures for 2016 were restated where necessary in order to conform to the current year financial presentation.

12 Related Party Transactions

██████████ a broadcasting company in Newfoundland is affiliated with VOCM cares foundation. The company provided administrative, technical and advertising services. Financial activities during the fiscal year between the foundation and ██████████ are as follows:

	2017	2016
Purchase of Broadcasting	\$ 91,968	\$ 80,068
Administrative and other expenses	94,203	129,129
	<u>\$ 186,171</u>	<u>\$ 209,197</u>

As at August 31, 2017 related parties are owed \$4,215(2016- \$0)

13 Bank

Bank consists of the following

	2017	2016
Cash in Bank(Overdraft)	\$ 243,625	\$ (13,022)
Petty Cash	300	300
Investments	600,464	794,036
	<u>\$ 844,389</u>	<u>\$ 781,314</u>

Investments consist of funds in Guaranteed Investment Certificates and funds in Bank savings accounts.

**THE VOCM CARES FOUNDATION
NOTES TO FINANCIAL STATEMENTS CONT'D
AUDITED
FOR THE YEAR ENDED AUGUST 31, 2017**

14 Leases

In November 2016 the Foundation signed a five year operating vehicle lease which includes monthly payments of \$640. until November 2022.

15 Financial Risks

Liquidity Risks

Liquidity risk is the risk that the foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The foundation manages its liquidity risk by monitoring its operating requirements.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate with changes in interest rates. The foundation is exposed to interest rate risk on its fixed income investments.

There has been no change to the risk exposure from 2016 for any of the above risks.