

DAN'S LEGACY FOUNDATION

Delta, B.C.

FINANCIAL STATEMENTS

March 31, 2023

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Dan's Legacy Foundation:

We have reviewed the accompanying financial statements of Dan's Legacy Foundation that comprise the balance sheet as at March 31, 2023 and the statements of revenue and disbursements, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Dan's Legacy Foundation as at March 31, 2023, 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.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

June 1, 2023
Vancouver, B.C.

ASSURANCE • TAX • ADVISORY

DAN'S LEGACY FOUNDATION

STATEMENT OF REVENUE AND DISBURSEMENTS (unaudited)

For the year ended March 31, 2023

	2023	2022
	\$	\$
Revenue		
Grants (Note 7)	1,851,894	1,209,804
Program revenue	120,359	302,389
Fundraising and donations	113,660	28,683
Counselling	57,966	66,639
Interest	24,249	4,474
Other	16,507	50,558
Amortization of deferred capital contribution (Note 6)	3,943	3,856
	<u>2,188,578</u>	<u>1,666,403</u>
Disbursements		
Accounting and legal	11,815	28,407
Administration	378,942	151,032
Amortization	20,643	14,096
Bank charges	1,761	969
Counsellor fees (Note 8)	693,475	565,017
Fundraising	21,169	2,282
Insurance	12,686	1,722
Program costs	304,834	302,631
Promotion	2,770	3,810
Salaries and benefits (Note 8)	797,691	348,438
Website	1,071	410
	<u>2,246,857</u>	<u>1,418,814</u>
Excess (deficiency) of revenue over disbursements	(58,279)	247,589

The accompanying notes are an integral part of these financial statements.

DAN'S LEGACY FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS (unaudited)

For the year ended March 31, 2023

	2023	2022
	\$	\$
Balance, beginning	618,004	370,415
Excess (deficiency) of revenue over disbursements	(58,279)	247,589
Balance, ending	559,725	618,004

The accompanying notes are an integral part of these financial statements.

DAN'S LEGACY FOUNDATION

BALANCE SHEET (unaudited)

March 31, 2023

	2023	2022
	\$	\$
Assets		
Current		
Cash	961,303	1,141,424
Receivables (Note 2)	85,028	45,936
Prepaid expenses	20,957	10,659
Deposits	47,566	-
	<u>1,114,854</u>	<u>1,198,019</u>
Tangible capital assets (Notes 3 and 10)	73,044	48,440
	<u>1,187,898</u>	<u>1,246,459</u>
Liabilities		
Current		
Payables and accruals (Note 4)	159,631	125,734
Deferred revenue (Note 5)	459,341	489,577
	<u>618,972</u>	<u>615,311</u>
Deferred capital contribution (Notes 6 and 10)	9,201	13,144
	<u>628,173</u>	<u>628,455</u>
Net Assets	559,725	618,004
	<u>1,187,898</u>	<u>1,246,459</u>

Commitments (Note 11)

Approved by the Directors:

Roberta McArthur, Treasurer



Peter Buxton, President

The accompanying notes are an integral part of these financial statements.

DAN'S LEGACY FOUNDATION

STATEMENT OF CASH FLOWS

(unaudited)

For the year ended March 31, 2023

	2023	2022
	\$	\$
Cash flows related to operating activities		
Excess (deficiency) of revenue over disbursements	(58,279)	247,589
Adjustments for items not affecting cash:		
Amortization	20,643	14,096
Amortization of deferred capital contribution	(3,943)	(3,856)
	<u>(41,579)</u>	<u>257,829</u>
Changes in non-cash working capital:		
Receivables	(39,092)	266,914
Prepaid expenses	(10,298)	(9,908)
Payables and accruals	33,897	80,097
Deferred revenue	(30,236)	190,375
	<u>(87,308)</u>	<u>785,307</u>
Cash flows related to investing activities		
Deposits on tangible capital assets	(47,566)	-
Purchases of tangible capital assets	(45,247)	(32,004)
	<u>(92,813)</u>	<u>(32,004)</u>
Net increase (decrease) in cash	(180,121)	753,303
Cash, beginning	1,141,424	388,121
Cash, ending	961,303	1,141,424

Non-cash transaction (Note 10)

The accompanying notes are an integral part of these financial statements.

DAN'S LEGACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

For the year ended March 31, 2023

Dan's Legacy Foundation (the "Foundation") is a not-for-profit organization incorporated under the *Societies Act* (British Columbia), and is a registered charity under the *Income Tax Act*. The Foundation provides youth who have experienced trauma with counselling, education, vocational and other support programming. As a registered charity, the Foundation is not subject to income taxes.

Note 1 Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Tangible Capital Assets

Tangible capital assets are carried at cost less accumulated amortization. Amortization is calculated annually as follows:

Computer equipment	- 55% declining balance
Kitchen equipment	- 20% declining balance
Counselling equipment	- 20% declining balance
Automobile	- 30% declining balance
Office furniture	- 20% declining balance

except in the year of acquisition, at which time amortization is provided for based on the date the asset is put into service.

Leasehold improvements are amortized straight-line over the term of the lease.

Tangible capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of an asset is not recoverable and exceeds its fair value.

Revenue Recognition

The Foundation follows the deferral method of accounting for revenue. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Restricted contributions for the purchase of tangible capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from grants is recognized when approval has been received, all conditions have been met, the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from counselling, program revenue and other is recognized when the services are rendered, the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from fundraising events is recognized in the year in which the fundraising event takes place.

Interest is recognized on a time proportion basis.

DAN'S LEGACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

For the year ended March 31, 2023

Note 1 Significant Accounting Policies (continued)

Contributed Materials and Services

A number of volunteers contribute a significant amount of their time and services to the Foundation each year. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements. The Foundation records the fair value of contributed materials at the time of receipt, where such fair value is determinable, and the materials would otherwise have been purchased.

Financial Instruments

Arm's Length Transactions

Measurement of financial instruments

The Foundation measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions.

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

Related Party Transactions

Measurement of related party financial instruments

The Foundation measures all related party financial instruments recognized in these financial statements at either the cost of the related party financial instrument, or at the cost of the consideration exchanged for the related party financial instrument. Measurement is based on the nature of the financial instrument, and depends on whether the instrument has repayment terms. The Foundation has no related party financial instruments required to be measured at fair value.

When the instrument has repayment terms, the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, and less any impairment losses previously recognized by the transferor.

When the related party financial instrument has no repayment terms, the cost of the instrument is determined using the consideration transferred or received.

Related party financial instruments initially measured at cost are subsequently measured using the cost method.

Transaction Costs

Transaction costs related to the acquisition or issuance of financial instruments subsequently measured at fair value and to instruments originated or exchanged in a related party transaction are recognized in excess of revenue over disbursements when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition or issuance of the instrument, and the adjustment is recognized in excess of revenue over disbursements over the life of the instrument using the straight-line method.

DAN'S LEGACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

For the year ended March 31, 2023

Note 1 Significant Accounting Policies (continued)

Impairment

Financial assets measured at amortized cost and related party financial assets measured using the cost method are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in excess of revenue over disbursements. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over disbursements.

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 at the date of the financial statements and the reported amounts of revenue and disbursements during the reporting period.

Note 2 Receivables

Receivables consist of the following:

	2023	2022
	\$	\$
Receivables	72,256	36,652
GST receivable	12,772	9,284
	<hr/> 85,028 <hr/>	<hr/> 45,936 <hr/>

DAN'S LEGACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

For the year ended March 31, 2023

Note 3 Tangible Capital Assets

	2023		2022
	Cost	Accumulated Amortization	Net Carrying Amount
	\$	\$	\$
Computer equipment	23,751	11,875	11,876
Kitchen equipment	24,594	12,994	11,600
Counselling equipment	16,421	5,701	10,720
Automobile	17,000	7,800	9,200
Office furniture	1,160	50	1,110
Leasehold improvements	32,105	3,567	28,538
	<u>115,031</u>	<u>41,987</u>	<u>73,044</u>
			<u>48,440</u>

Note 4 Payables and Accruals

Payables and accruals consist of the following:

	2023	2022
	\$	\$
Trade payables	109,657	125,734
Government remittances	32,945	-
Program payable	17,028	-
	<u>159,630</u>	<u>125,734</u>

Note 5 Deferred Revenue

Changes in deferred revenue is as follows:

	2023	2022
	\$	\$
Balance, beginning	489,577	299,202
Less: revenue recognized	(268,486)	(299,202)
Plus: grants received	238,250	489,577
	<u>459,341</u>	<u>489,577</u>

DAN'S LEGACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

For the year ended March 31, 2023

Note 6 Deferred Capital Contribution

Changes in deferred capital contributions are as follows:

	2023 \$	2022 \$
Balance, beginning	13,144	-
Tangible capital asset contribution	-	17,000
Less: revenue recognized	(3,943)	(3,856)
	<hr/>	<hr/>
Balance, ending	9,201	13,144
	<hr/>	<hr/>

Note 7 Grants

	2023 \$	2022 \$
Federal government	142,969	10,772
Foundations and other charities	25,578	218,250
Municipal government	63,641	-
Provincial government	1,619,706	980,782
	<hr/>	<hr/>
	1,851,894	1,209,804
	<hr/>	<hr/>

Note 8 Remuneration of Directors, Employees and Contractors

The *Societies Act* (British Columbia) requires the Foundation to disclose the remuneration paid to directors during the year and the remuneration paid to all employees and contractors whose remuneration during the year was at least \$75,000.

Included in counsellor fees is a total of \$Nil (2022: \$87,000) paid to a contractor and \$94,620 (2022: \$93,000) is included in salaries and benefits paid to an employee.

DAN'S LEGACY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

For the year ended March 31, 2023

Note 9 Financial Instruments

Items that meet the definition of a financial instrument include cash, receivables and payables and accruals.

Financial instrument transactions, such as collecting receivables and settling payables may result in exposure to significant financial risks and concentrations of risk.

For the year ended March 31, 2023, the Foundation was not exposed to significant risks arising from its financial instruments. There have been no changes to the significant risks from the prior year.

Note 10 Contributed Materials and Services

During the year ended March 31, 2022, the Foundation received contributed materials in the form of an automobile used for the Learn to Cook program. As the fair value of the automobile was determinable and the automobile would otherwise have been purchased, the automobile which had a fair value of \$17,000 and was included in tangible capital assets and deferred capital contribution.

There were not any contributed materials during the year ended March 31, 2023.

Note 11 Commitments

During the year, the Foundation entered into a lease agreement for premises which expires on March 31, 2025. The required lease payments are as follows:

	\$
2024	72,000
2025	75,600
	<hr/>
	147,600
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In addition, assuming all conditions of the agreements are met, the Foundation has commitments from various funding agencies to provide grants as follows:

	\$
2024	1,183,692
2025	1,190,775
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	2,374,467
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