

DAN'S LEGACY FOUNDATION

FINANCIAL STATEMENTS

31 MARCH 2024

DAN'S LEGACY FOUNDATION

Financial Statements

For the year ended 31 March 2024

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INDEPENDENT AUDITORS' REPORT

To the Members,
Dan's Legacy Foundation

Qualified Opinion

We have audited the financial statements of Dan's Legacy Foundation, (the "Foundation") which comprise the statement of financial position as at 31 March 2024, and the statements of changes in net assets, operations and cash flows for the 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 the Foundation as at 31 March 2024, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from the general public in the form of fundraising and 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donations revenue, excess of revenues over expenses, and cash flows from operations for the years ended 31 March 2024 and 2023, current assets as at 31 March 2024 and 2023 and net assets as at 1 April and 31 March for both the 2024 and 2023 years.

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 report. We are independent of the Foundation 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.

Other Matter

The financial statements of the Foundation for the year ended 31 March 2023, were reviewed by another firm of Chartered Professional Accountants who issued an unqualified review engagement report on those financial statements dated 1 June 2023, and have been presented for comparative purposes only.

INDEPENDENT AUDITORS' REPORT - Continued

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 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 the Foundation's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT - Continued

- ◆ 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 Foundation'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 Foundation 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.

Report on Other Legal and Regulatory Requirements

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

Rolfe Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
26 June 2024

DAN'S LEGACY FOUNDATION
Statement of Financial Position
31 March 2024

	2024	2023
		(Note 12)
Assets		
Current		
Cash	\$ 1,189,720	\$ 944,275
Accounts receivable	150,296	72,256
Prepaid expenses and deposits	30,572	68,523
Restricted cash (Note 10)	17,028	17,028
GST receivable	25,422	12,772
	1,413,038	1,114,854
Tangible capital assets (Note 3)	173,982	73,044
	\$ 1,587,020	\$ 1,187,898

Liabilities

Current		
Accounts payable and accrued liabilities (Note 4)	\$ 135,652	\$ 142,603
Deferred revenue (Note 5)	662,699	459,341
Funds held in trust (Note 10)	17,028	17,028
	815,379	618,972
Deferred capital contributions (Note 6)	6,440	9,201
	821,819	628,173

Commitments (Note 7)

Net Assets

Invested in tangible capital assets	167,543	63,844
Unrestricted net assets	597,658	495,881
	765,201	559,725
	\$ 1,587,020	\$ 1,187,898

APPROVED BY THE BOARD:



Director

Jacqueline Marchand

Director

The accompanying notes are an integral part of these financial statements

DAN'S LEGACY FOUNDATION
Statement of Changes in Net Assets
For the year ended 31 March 2024

	Invested in tangible capital assets	Unrestricted net assets	Total 2024	Total 2023
				(Note 12)
Balance - beginning of year	\$ 63,844	\$ 495,881	\$ 559,725	\$ 618,004
Excess (deficiency) of revenues over expenses for the year	(41,778)	247,254	205,476	(58,279)
Net additions to tangible capital assets	145,477	(145,477)	-	-
Balance - end of year	\$ 167,543	\$ 597,658	\$ 765,201	\$ 559,725

The accompanying notes are an integral part of these financial statements

DAN'S LEGACY FOUNDATION
Statement of Operations
For the year ended 31 March 2024

	2024	2023
		(Note 12)
Revenues		
Grants (Note 11)	\$ 2,967,014	\$ 1,851,894
Fundraising and donations	76,327	113,661
Dan's Diner	68,061	-
Counselling	21,328	57,966
Program revenue	18,229	136,117
Amortization of deferred capital contribution (Note 6)	2,761	3,945
	3,153,720	2,163,583
Expenses		
Salaries and related benefits (Note 9)	1,594,920	797,691
Office and administration	467,638	376,416
Counsellor fees	472,014	693,475
Program costs	339,128	304,834
Accounting and legal	28,210	14,341
Fundraising	20,170	21,169
Insurance	15,682	12,686
Advertising and promotion	3,821	2,770
Bank charges and interest	2,808	1,763
Website	2,044	1,071
Amortization	44,539	20,643
	2,990,974	2,246,859
Excess (deficiency) of revenues over expenses from operations	162,746	(83,276)
Other income		
Interest	38,449	24,249
Miscellaneous	4,281	748
	42,730	24,997
Excess (deficiency) of revenues over expenses for the year	\$ 205,476	\$ (58,279)

The accompanying notes are an integral part of these financial statements

DAN'S LEGACY FOUNDATION
Statement of Cash Flows
For the year ended 31 March 2024

	2024	2023
		(Note 12)
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 205,476	\$ (58,279)
Items not involving cash		
Amortization	44,539	20,643
Amortization of deferred capital contribution (Note 6)	(2,761)	(3,942)
	247,254	(41,578)
Changes in non-cash working capital balances		
Accounts receivable	(78,040)	(39,092)
Prepaid expenses and deposits	37,951	(10,298)
Funds held in trust (Note 10)	-	(17,028)
GST receivable	(12,650)	-
Accounts payable and accrued liabilities	(6,951)	16,868
Deferred revenue	203,358	(30,236)
	390,922	(121,364)
Investing activities		
Purchase of tangible capital assets	(145,477)	(45,247)
Deposit on tangible capital assets	-	(47,566)
Increase in restricted cash (Note 10)	-	17,028
	(145,477)	(75,785)
Net increase (decrease) in cash	245,445	(197,149)
Cash - beginning of year	944,275	1,141,424
Cash - end of year	\$ 1,189,720	\$ 944,275

The accompanying notes are an integral part of these financial statements

DAN'S LEGACY FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

1. Incorporation

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.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Financial instruments

(i) Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

The Foundation subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenues over expenses in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable, deposits and restricted cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and funds held in trust.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it 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 the statement of operations.

(iii) Transaction costs

The Foundation recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

DAN'S LEGACY FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

2. Summary of significant accounting policies - Continued

(b) Revenue Recognition

The Foundation follows the deferral method of accounting for revenue. Externally restricted contributions, are recognized as revenue in the year in which the related expenses are incurred or the restrictions are fulfilled. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at the rate corresponding with the amortization rate for the related 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.

Dan's Diner revenue represent funds received for periodic sale of donated food items to the general public with revenue recognized as received.

Interest income is recognized as revenue when received or earned and reported in the statement of operations.

(c) 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 amounts reported in the financial statements and accompanying notes. Accounts subject to estimates include amortization of tangible capital assets and accrued liabilities. Management believes that the estimates utilized in preparation its financial statements are reasonable and prudent; however, actual results could differ from these estimates.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Foundation provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Equipment	20%
Automobile	30%
Office equipment	20%
Furniture and fixtures	20%
Computer equipment	55%

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the three year renewal option.

Tangible capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

DAN'S LEGACY FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

3. Tangible capital assets

	Cost	Accumulated Amortization	2024 Net	2023 Net
Equipment	\$ 77,832	\$ 20,637	\$ 57,195	\$ 11,600
Automobile	17,000	10,560	6,440	9,200
Office equipment	16,421	7,845	8,576	10,720
Furniture and fixtures	1,160	272	888	1,110
Leasehold improvements	109,917	24,837	85,080	28,537
Computer equipment	38,177	22,374	15,803	11,877
	\$ 260,507	\$ 86,525	\$ 173,982	\$ 73,044

4. Accounts payable and accrued liabilities

	2024	2023
		(Note 12)
Accounts payables and accrued liabilities	\$ 81,777	\$ 109,658
Government remittances payable	53,875	32,945
	\$ 135,652	\$ 142,603

5. Deferred revenue

	Balance, beginning of year	Received	Recognized	Returned	Balance, end of year
Ministry of Mental Health and Addictions	\$ 442,662	\$ 1,730,000	\$ (1,520,723)	\$ -	\$ 651,939
Community - University Engagement Support (Note 10)	5,760	-	-	-	5,760
The Canadian Red Cross	10,919	22,351	(20,716)	(12,554)	-
BC General Employees' Union	-	5,000	-	-	5,000
	\$ 459,341	\$ 1,757,351	\$ (1,541,439)	\$ (12,554)	\$ 662,699

DAN'S LEGACY FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

6. Deferred capital contributions

In previous years, the Foundation received contributed materials in the form of an automobile to be used for the Cook Training, Dan's Diner Social Enterprise and the Warehouse and Swamping programs. 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 was included in tangible capital assets and deferred capital contribution. In accordance with the deferral method of accounting for contributed tangible capital assets, the contributions have been deferred and are being amortized in the Foundation's revenue at the same rate that the related assets are being amortized to expense.

	2024	2023
Opening balance	\$ 9,201	\$ 13,143
Amortization	(2,761)	(3,942)
Ending balance	\$ 6,440	\$ 9,201

7. Commitments

The Foundation has entered into various lease agreements for premises, storage and vehicles which expire between 31 July 2024 and 30 April 2031. The required lease payments are as follows:

2025	\$ 154,168
2026	36,548
2027	27,983
2028	27,983
2029	27,983
Subsequent years	30,315
	\$ 304,980

In addition, assuming all conditions of grant agreements are met, the Foundation has commitments from various funding agencies to provide grants to the foundation as follows:

2025	\$ 1,190,775
2026	105,000

8. Financial instruments

The Foundation is exposed to various financial risks through transactions in financial instruments. The following provides a measure of the Foundation's risk exposure and concentrations at the statement of financial position date, 31 March 2024.

DAN'S LEGACY FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

8. Financial instruments - Continued

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with the financial liabilities. The Foundation is exposed to this risk mainly in respect to its accounts payable and accrued liabilities and funds held in trust. The Foundation manages liquidity risk by maintaining adequate cash. There has been no change to this risk exposure from the prior year.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation's main credit risk relates to cash and accounts receivable. Cash is maintained with a large federally regulated financial institution in Canada. The Foundation provide credits to its clients in the normal course of its operations. Assessment for uncollectible accounts receivable are performed by management and amounts that are not collectible are provided for in the allowance for doubtful accounts. There has been no change in the risk exposure from the prior year.

9. Remuneration of employees, contractors and directors

The Societies Act (British Columbia) requires the a society (other than a society designated as a member-funded society) to include, in its financial statements, the disclosure of any remuneration paid to its directors and the remuneration paid to all employees and contractors earning more than \$75,000 during the fiscal year. For the fiscal year 31 March 2024, the Foundation had four employees with remuneration in excess of \$75,000 (2023 - one) The total amount paid to these individuals was \$339,850 (2023 - \$94,620) and is included in salaries and related benefits. The directors of the Foundation did not receive any remuneration during the 2024 fiscal year.

10. Funds held in trust

During the prior year, the Foundation entered into a contract with the University of British Columbia to act as agent for the University and distribute the funds held in trust to support counselling and wrap around services for the youth. The contract was to commence on 1 March 2023 and end on 31 December 2023. During the year, the contract was amended to extend to September 2024. The original funding amount received by the Foundation was \$22,788. The amount included \$5,760 administrative fee provided to the Foundation to cover the costs of administering the project (Note 5) and \$17,028 to be distributed to the University of British Columbia. As of 31 March 2024 \$Nil has been distributed. The balance of funds held in trust are recorded on the statement of financial position and have no impact on the operating activities of the Foundation.

DAN'S LEGACY FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

11. Grants

	2024	2023
		(Note 12)
Ministry of Mental Health and Addictions	\$ 1,520,723	\$ 1,619,706
Health Canada	1,138,472	142,969
City of New Westminster	145,989	63,641
City of Surrey	103,886	-
Foundations and other charities	57,944	25,578
	\$ 2,967,014	\$ 1,851,894

12. Comparative Figures

The financial statements for the year ended 31 March 2023 were reviewed by another firm of Chartered Professional Accountants and are presented for comparative purposes only. Certain comparative figures have been reclassified from those previously presented to confirm to the presentation of the 2024 financial statements.

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