DAN'S LEGACY FOUNDATION

FINANCIAL STATEMENTS

31 MARCH 2026

DAN'S LEGACY FOUNDATION
Financial Statements
For the year ended 31 March 2026

Contents

Rolfe Benson
— Chartered Professional Accountants —

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members,
Dan's Legacy Foundation

We have reviewed the accompanying financial statements of Dan's Legacy Foundation (the "Foundation") that comprise the statement of financial position as at 31 March 2026, and the statements of changes in net assets, operations 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 accounting standards for not-for-profit organizations, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioners' 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 practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate 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.

Basis for Qualified Conclusion

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 review procedures. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the Foundation and we are not able to determine whether any adjustments might be necessary to revenues, (deficiency) excess of revenues over expenses and net assets for the year ended 31 March 2026 and 2025, current assets as at 31 March 2026 and 2025 and net assets as at 1 April and 31 March for both the 2026 and 2025 years. The financial statements for the year ended 31 March 2025 were subject to an audit engagement, and our audit opinion on the financial statements for the year ended 31 March 2025 was modified accordingly because of the possible effect of this limitation in scope.

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT - Continued

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 31 March 2026, 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.

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
23 June 2026

DAN'S LEGACY FOUNDATION
Statement of Financial Position
31 March 2026

	2026	2025
Assets		
Current		
Cash	**$ 1,084,917**	$ 1,348,482
Accounts receivable	**69,557**	111,385
Prepaid expenses and deposits	**124,650**	124,162
Restricted cash (Note 12)	**-**	1,470
GST receivable	**3,097**	7,186
	1,282,221	1,592,685
Tangible capital assets (Note 4)	**173,831**	245,838
	$ 1,456,052	$ 1,838,523
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	**$ 118,423**	$ 196,989
Deferred operating contributions (Note 6)	**275,846**	510,266
Funds held in trust (Note 12)	**-**	1,470
Current portion of capital lease obligation (Note 8)	**18,160**	16,479
	412,429	725,204
Deferred capital contributions (Note 7)	**3,156**	4,508
Capital lease obligation (Note 8)	**83,777**	101,937
	499,362	831,649
Commitments (Note 9)		
Net Assets		
Invested in tangible capital assets	**68,738**	122,914
Internally restricted (Note 3)	**157,000**	157,000
Unrestricted	**730,952**	726,960
	956,690	1,006,874
	$ 1,456,052	$ 1,838,523

APPROVED BY THE BOARD:

____________________ Director ____________________ 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 2026

	Invested in tangible capital assets	Unrestricted	Internally restricted (Note 3)	Total 2026	Total 2025
Balance - beginning of year	$ 122,914	$ 726,960	$ 157,000	**$ 1,006,874**	$ 765,201
(Deficiency) excess of revenues over expenses for the year	(70,655)	20,471	-	**(50,184)**	241,673
Decrease in capital lease obligation	16,479	(16,479)	-	**-**	-
Balance - end of year	**$ 68,738**	**$ 730,952**	**$ 157,000**	**$ 956,690**	$ 1,006,874

The accompanying notes are an integral part of these financial statements

DAN'S LEGACY FOUNDATION
Statement of Operations
For the year ended 31 March 2026

	2026	2025
Revenues		
Grants (Note 13)	**$ 2,481,540**	$ 3,715,043
Dan's Diner	**191,473**	102,741
Fundraising and donations	**135,159**	107,961
Program revenue	**25,043**	23,242
Counselling (Note 12)	**1,470**	9,229
Amortization of deferred capital contribution (Note 7)	**1,352**	1,932
	2,836,037	3,960,148
Expenses		
Salaries and related benefits (Note 11)	**1,939,621**	2,300,564
Office and administration	**489,963**	547,447
Program costs	**228,465**	430,541
Counsellor fees	**73,006**	289,537
Accounting and legal	**54,140**	46,390
Fundraising	**44,641**	34,499
Insurance	**10,429**	25,508
Bank charges and interest	**5,363**	4,535
Website	**852**	1,752
Advertising and promotion	**320**	1,652
Amortization	**72,007**	81,611
	2,918,807	3,764,036
(Deficiency) excess of revenues over expenses from operations	**(82,770)**	196,112
Other income		
Interest income	**28,084**	34,385
Miscellaneous	**4,502**	11,176
	32,586	45,561
(Deficiency) excess of revenues over expenses for the year	**$ (50,184)**	$ 241,673

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 2026

	2026	2025
Cash provided by (used in):		
Operating activities		
(Deficiency) excess of revenues over expenses for the year	$ (50,184)	$ 241,673
Items not involving cash		
Amortization of tangible capital assets	72,007	81,611
Amortization of deferred capital contribution	(1,352)	(1,932)
	20,471	321,352
Changes in non-cash working capital balances		
Accounts receivable	41,828	38,911
Prepaid expenses and deposits	(488)	(93,590)
GST receivable	4,089	18,236
Accounts payable and accrued liabilities	(78,566)	61,337
Deferred operating contributions	(234,420)	(152,433)
	(247,086)	193,813
Investing activity		
Purchase of tangible capital assets	-	(25,557)
Financing activity		
Repayment of capital lease obligation, net	(16,479)	(9,494)
Net (decrease) increase in cash	(263,565)	158,762
Cash - beginning of year	1,348,482	1,189,720
Cash - end of year	$ 1,084,917	$ 1,348,482
Supplemental Cash Flow Information		
Vehicles acquired under capital leases, net	$ -	$ 130,938
Decrease in funds held in trust (Note 12)	1,470	15,558

The accompanying notes are an integral part of these financial statements

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.

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 (deficiency) excess of revenues over expenses in the period incurred.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and capital lease obligation.

(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.

2. Summary of significant accounting policies - Continued

(b) Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. 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 tangible capital assets are deferred and amortized into revenue at the rate corresponding with the amortization rate for the related 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.

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%
Vehicle	30%
Office equipment	20%
Furniture and equipment	20%
Computer equipment	55%
Vehicle under capital lease	30%

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

2. Summary of significant accounting policies - Continued

(d) Tangible capital assets - Continued

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.

(e) Contributed goods and services

The Foundation recognizes the contribution of goods at fair value when they can be reasonably estimated, when they are used in the normal course of operations and would otherwise have been purchased. The value of the contributed goods are recognized in the statement of operations.

3. Internally restricted

During the prior year, the Board of Directors internally restricted $157,000 to be maintained by the Foundation for future operations to ensure financial stability and operational continuity.

	2026	2025
Future payments related to credit card purchases	**$ 15,000**	$ 15,000
Future payments related to vehicle replacement costs	**142,000**	142,000
	$ 157,000	$ 157,000

4. Tangible capital assets

	Cost	**Accumulated Amortization**	**2026 Net**	2025 Net
Equipment	**$ 77,832**	**$ 41,228**	**$ 36,604**	$ 45,756
Vehicle	**17,000**	**13,844**	**3,156**	4,508
Office equipment	**16,421**	**10,932**	**5,489**	6,861
Furniture and equipment	**3,029**	**1,115**	**1,914**	2,392
Leasehold improvements	**113,607**	**68,853**	**44,754**	66,762
Computer equipment	**38,177**	**34,977**	**3,200**	7,111
	266,066	**170,949**	**95,117**	133,390
Vehicle under capital lease	**132,292**	**53,578**	**78,714**	112,448
	$ 398,358	**$ 224,527**	**$ 173,831**	$ 245,838

5. Accounts payable and accrued liabilities

		2026		2025
Accounts payables and accrued liabilities	$	**80,343**	$	144,678
Government remittances payable		**38,080**		52,311
	$	**118,423**	$	196,989

6. Deferred operating contributions

		Balance, beginning of year		Received		Recognized		Balance, end of year
Al Roadburg Foundation	$	300,000	$	250,000	$	(300,000)	**$**	**250,000**
BC General Employees' Union		5,000		5,000		(5,000)		**5,000**
Canadian Union of Public Employees BC Division		-		5,000		-		**5,000**
Co-operators Community Fund		15,846		-		-		**15,846**
Ministry of Mental Health and Addictions		189,420		-		(189,420)		**-**
	$	510,266	$	260,000	$	(494,420)	**$**	**275,846**

7. Deferred capital contributions

In previous years, the Foundation received contributed materials in the form of a vehicle to be used for the Cook Training, Dan's Diner Social Enterprise and the Warehouse and Swamping programs. As the fair value of the vehicle was determinable and the vehicle would otherwise have been purchased, the vehicle which had a fair value of $17,000 was included in tangible capital assets and deferred capital contributions. 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.

		2026		2025
Opening balance	**$**	**4,508**	$	6,440
Amortization		**(1,352)**		(1,932)
Ending balance	**$**	**3,156**	$	4,508

8. Capital lease obligation

	2026	2025
Sonoma Capital vehicle lease, repayable in monthly instalments of $2,275 including interest at 9.75% per annum with a maturity date of November 2030.	**$ 101,937**	$ 118,416
Less current portion	**18,160**	16,479
Due beyond one year	**$ 83,777**	$ 101,937

2027	$ 27,301
2028	27,301
2029	27,301
2030	27,301
2031	18,051
Total future lease payments	127,255
Less amount representing interest	25,318
Total principal lease payments	101,937
Less current portion	18,160
	$ 83,777

9. Commitments

The Foundation has entered into various lease agreements for premises and storage which expire between 30 April 2026 and 31 March 2028. The required lease payments are as follows:

2027	$ 105,016
2028	91,892
	$ 196,908

10. 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 2026.

10. 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, funds held in trust and capital lease obligation. 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 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.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the Foundation to a fair value risk.

11. Remuneration of employees, contractors and directors

The Societies Act (British Columbia) requires 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 ended 31 March 2026, the Foundation had ten employees with remuneration in excess of $75,000 (2025 - eleven). The total amount paid to these individuals was $903,718 (2025 - $950,266) and is included in salaries and related benefits. The directors of the Foundation did not receive any remuneration during the 2026 or 2025 fiscal years.

12. Funds held in trust

During 2023, the Foundation entered into a contract with the University of British Columbia ("UBC") to act as agent for UBC and distribute the funds held in trust to support counselling and wrap around services for the youth. The contract commenced on 1 March 2023 and was due to expire on 31 December 2023. The contract was amended to extend to September 2024. The original funding amount received by the Foundation was $22,788. The amount included $7,230 administrative fee provided to the Foundation to cover the costs of administering the project and $15,558 to be distributed to UBC. Of this amount, the Foundation has distributed $15,558 as of 31 March 2026, with $Nil held by the Foundation to be distributed in future years or returned to UBC (2024 - $1,470). As of 31 March 2026, $1,470 (2025 - $5,760) have been recorded under counselling in the statement of operations. As the Foundation is acting as an agent on behalf of UBC, the receipt of funds and subsequent disbursements have not been reported as revenues or expenses of the Foundation.

13. Grants

	2026	2025
Ministry of Health	**$ 1,919,420**	$ 2,192,519
Al Roadburg Foundation	**300,000**	-
Foundations and other charities	**100,000**	5,154
City of New Westminster	**84,726**	211,600
City of Surrey	**77,394**	80,400
Health Canada	-	1,190,775
Ministry of Social Development and Poverty Reduction	-	34,595
	$ 2,481,540	$ 3,715,043