

Financial Statements of

**CANUCK PLACE CHILDREN'S
HOSPICE FOUNDATION**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Canuck Place Children's Hospice Foundation

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Canuck Place Children's Hospice Foundation (the "Foundation"), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 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 Opinion

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 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 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 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.

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 Foundation's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure 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 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 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 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 matter 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 period.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
June 14, 2024

CANUCK PLACE CHILDREN'S HOSPICE FOUNDATION

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 6,852,023	\$ 4,138,975
Short-term investments (note 3)	-	2,000,000
GST receivable	5,672	5,572
Prepaid expenses	502	6,576
	<u>6,858,197</u>	<u>6,151,123</u>
Investments (note 3)	12,536,052	11,450,033
	<u>\$ 19,394,249</u>	<u>\$ 17,601,156</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 32,244	\$ 39,209
Due to Canuck Place Children's Hospice (note 8)	217,177	103,284
Deferred contributions (note 4)	88,781	83,281
	<u>338,202</u>	<u>225,774</u>
Unrestricted net assets	19,056,047	17,375,382
	<u>\$ 19,394,249</u>	<u>\$ 17,601,156</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

CANUCK PLACE CHILDREN'S HOSPICE FOUNDATION

Statement of Operations and Changes in Net Assets

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

	2024	2023
Revenue:		
Gaming (note 5)	\$ 2,348,008	\$ 2,295,085
Investment income (note 3)	1,214,346	206,581
Bequests and donations	1,058,117	2,244,869
Bank interest and other income	296,162	62,792
Distribution from Vancouver Foundation (note 6)	208,687	204,145
	<u>5,125,320</u>	<u>5,013,472</u>
Expenses:		
Contributions to Canuck Place Children's Hospice (note 8)	2,260,000	1,665,000
Gaming	849,955	831,269
Planned giving, administration and other	279,813	282,723
Investment management	54,887	51,729
	<u>3,444,655</u>	<u>2,830,721</u>
Excess of revenue over expenses	1,680,665	2,182,751
Net assets, beginning of year	17,375,382	15,192,631
Net assets, end of year	<u>\$ 19,056,047</u>	<u>\$ 17,375,382</u>

See accompanying notes to the financial statements.

CANUCK PLACE CHILDREN'S HOSPICE FOUNDATION

Statement of Cash Flows

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

	2024	2023
Cash provided by:		
Operating activities:		
Excess of revenue over expenses	\$ 1,680,665	\$ 2,182,751
Items not involving cash:		
Unrealized (gain) loss on investments	(597,863)	310,667
	1,082,802	2,493,418
Non-cash items:		
GST receivable	(100)	(228)
Prepaid expenses	6,074	5,332
Accounts payable and accrued liabilities	(6,965)	39,209
Due to Canuck Place Children's Hospice	113,893	3,598
Deferred contributions	5,500	6,000
	1,201,204	2,547,329
Investing activities:		
Net redemption (purchase) of investments	1,511,844	(2,427,074)
Increase in cash	2,713,048	120,255
Cash, beginning of year	4,138,975	4,018,720
Cash, end of year	\$ 6,852,023	\$ 4,138,975

See accompanying notes to financial statements.

CANUCK PLACE CHILDREN'S HOSPICE FOUNDATION

Notes to Financial Statements

Year ended March 31, 2024

1. Operations:

Canuck Place Children's Hospice Foundation (the "Foundation") was incorporated on June 14, 2000 and operates under the *Societies Act* (British Columbia) as a public foundation. The purpose of the Foundation is to hold and invest bequests, legacies, donations and gifts received and distribute the funds in support of the activities of Canuck Place Children's Hospice ("Canuck Place" or the "Hospice"). The Foundation is a registered charity and is not subject to income taxes.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - *Accounting* and include the following significant accounting policies:

(a) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recorded as revenue when received or receivable if collection is reasonably assured. Unrestricted investment income is recorded as revenue as earned. Contributions and investment income restricted for use in specific periods or for specific expenses are initially deferred and subsequently recognized as revenue in the period to which it relates or when the related expenses are incurred.

(b) Donated goods and services:

Supplemental efforts of volunteer workers are not recorded as revenue since it is not practical to determine the value of benefits received. Donated goods and services provided for the benefit of the Foundation, and for which fair value can be determined and would have been purchased by the Foundation, are included in the financial statements and are recorded at their fair value.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Management has elected to carry all investments, except for guaranteed investment certificates, at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

CANUCK PLACE CHILDREN'S HOSPICE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(c) Financial instruments (continued):

Financial assets recorded at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize 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 improvement, not exceeding the initial carrying value.

(d) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

3. Investments:

	2024	2023
Canadian equity fund	\$ 3,151,059	\$ 2,710,247
Fixed income fund	3,113,680	2,590,309
US equity funds	2,240,947	1,936,015
International equity fund	2,102,176	1,864,337
Real estate fund	1,191,828	1,232,998
US private asset fund	734,750	285,462
Money market fund	1,612	830,665
Guaranteed investment certificate (a)	-	2,000,000
	12,536,052	13,450,033
Short-term investments	-	2,000,000
Long-term investments	\$ 12,536,052	\$ 11,450,033

(a) The guaranteed investment certificate held as at March 31, 2023 earned interest at a rate of 5.17% and matured in September 2023.

CANUCK PLACE CHILDREN'S HOSPICE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

3. Investments (continued):

Investment income is comprised of the following:

	2024	2023
Unrealized gains (losses)	\$ 597,863	\$ (310,667)
Dividends	333,560	370,088
Interest:		
Other investments	147,327	127,240
Guaranteed investment certificates	72,123	50,992
Realized gains (losses)	63,473	(31,072)
	<u>\$ 1,214,346</u>	<u>\$ 206,581</u>

4. Deferred contributions:

Changes in deferred contributions are as follows:

	2024	2023
Balance, beginning of year	\$ 83,281	\$ 77,281
Contributions received	5,500	6,000
Balance, end of year	<u>\$ 88,781</u>	<u>\$ 83,281</u>

5. Gaming income:

Gaming income is comprised of the following:

	2024	2023
Foundation raffles	\$ 1,315,201	\$ 1,267,086
Canuck for Kids Fund	1,000,000	1,000,000
Contributions from other service organizations	32,807	27,999
	<u>\$ 2,348,008</u>	<u>\$ 2,295,085</u>

6. Distribution from Vancouver Foundation:

The Foundation maintains a \$3,540,739 endowment with the Vancouver Foundation. The Foundation does not control or have access to the capital of the assets and the contributions in the endowment are held permanently with the Vancouver Foundation; therefore, the endowment is not recorded in the Foundation's financial statements. The fair value of the endowment as at March 31, 2024 is \$4,510,082 (2023 - \$4,617,300).

The Foundation is entitled to receive investment income earned on the endowment. In fiscal 2024, the Foundation received \$208,687 (2023 - \$204,145) from the endowment.

CANUCK PLACE CHILDREN'S HOSPICE FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Financial instruments:

(a) Liquidity risk:

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. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Market risk:

Market risk is the risk that changes in market prices, including interest rates, will affect Foundation's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk. The Foundation manages market risk by adoption of an investment policy and adherence to this policy by an investment manager. Investments are in pooled funds in a diversified portfolio in accordance with the Foundation's investment policy (note 3). Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the Foundation is not exposed to significant market risk arising from its financial instruments.

There has been no change to the above risk exposures from 2023.

8. Related party:

The Hospice is incorporated under the *Societies Act* (British Columbia) and shares common directors with the Foundation. The Hospice operates a provincial children's hospice program known as "Canuck Place". The Hospice is a registered charity and is not subject to income taxes.

The Foundation makes annual contributions to the Hospice to assist in supporting revenue requirements for its operations. Contributions may also be made for capital or special projects. Contributions from gaming proceeds must be used in accordance with BC Gaming regulations.

As at March 31, 2024, the Hospice had total assets of \$37,663,880 (2023 - \$39,448,846), total liabilities of \$20,446,699 (2023 - \$22,231,665), and net assets of \$17,217,181 (2023 - \$17,217,181). For the year ended March 31, 2024, the Hospice had total revenue of \$23,181,270 (2023 - \$20,584,295), which includes total contributions from the Foundation of \$2,260,000 (2023 - \$1,665,000), and total expenses of \$23,181,270 (2023 - \$20,023,005).

The Foundation's reimbursements to the Hospice for services provided and payments made were \$245,620 (2023 - \$294,955). \$217,177 (2023 - \$103,284) of this amount is recorded as due to Canuck Place Children's Hospice on the statement of financial position, is unsecured and without interest or specific terms of repayment.