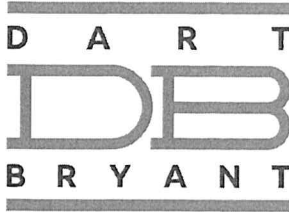


KIDS UP FRONT FOUNDATION (CALGARY)
Financial Statements
Year Ended December 31, 2023

KIDS UP FRONT FOUNDATION (CALGARY)
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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Kids Up Front Foundation (Calgary)

Qualified Opinion

We have audited the financial statements of Kids Up Front Foundation (Calgary) (the "Foundation"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets 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 December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations and fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donations, operational excess, cash flows from operations for the years ended December 31, 2022 and 2023, current assets as at December 31, 2022 and 2023, and net assets as at January 1 and December 31 for both the 2022 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 report. We are independent of the Foundation in accordance with 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 audit 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 ASNPO, 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.

(continues)

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 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.
- 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 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.

Calgary, Alberta
June 20, 2024

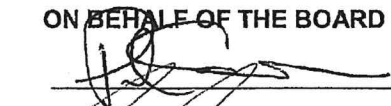


CHARTERED PROFESSIONAL ACCOUNTANTS

KIDS UP FRONT FOUNDATION (CALGARY)
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents (Note 4)	\$ 254,615	\$ 357,018
Accounts receivable (Note 5)	30,247	36,547
Prepaid expenses and deposits	6,000	5,052
	290,862	398,617
PROPERTY AND EQUIPMENT (Note 6)	5,429	1,759
	\$ 296,291	\$ 400,376
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,766	\$ 22,842
Deferred revenue (Note 7)	29,750	8,750
	52,516	31,592
NET ASSETS	243,775	368,784
	\$ 296,291	\$ 400,376

LEASE COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD


 _____ Board Member

 _____ Board Member

KIDS UP FRONT FOUNDATION (CALGARY)

Statement of Operations

Year Ended December 31, 2023

	2023	2022
REVENUES		
Tickets - in kind	\$ 1,358,962	\$ 1,007,327
Program and special event revenue (Note 8)	206,786	338,248
Donations - cash (Note 8)	131,143	109,185
Grants	29,402	35,527
Other	14,784	11,110
Interest	5,750	1,900
Government assistance	-	5,792
Donations - in kind	36,199	45,531
	<u>1,783,026</u>	<u>1,554,620</u>
EXPENSES		
Tickets and other donations - in kind	1,362,603	1,007,113
Salaries and wages	287,187	258,230
Program and special events expenses (Note 8)	112,225	159,679
General and administration	64,635	24,904
Rental	36,033	25,852
Professional fees	43,834	54,269
Amortization	1,518	1,801
	<u>1,908,035</u>	<u>1,531,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (125,009)	\$ 22,772

Statement of Changes in Net Assets

Year Ended December 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 368,784	\$ 346,012
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(125,009)	22,772
NET ASSETS - END OF YEAR	\$ 243,775	\$ 368,784

The accompanying notes are an integral part of these financial statements

KIDS UP FRONT FOUNDATION (CALGARY)

Statement of Cash Flows

Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (125,009)	\$ 22,772
Item not affecting cash:		
Amortization of property and equipment	<u>1,518</u>	<u>1,801</u>
	<u>(123,491)</u>	<u>24,573</u>
Changes in non-cash working capital:		
Accounts receivable	6,300	(11,079)
Accounts payable and accrued liabilities	(76)	(133)
Deferred revenue	21,000	7,350
Prepaid expenses and deposits	<u>(948)</u>	<u>11,204</u>
	<u>26,276</u>	<u>7,342</u>
Cash flow from (used by) operating activities	<u>(97,215)</u>	<u>31,915</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(5,188)</u>	<u>(2,086)</u>
INCREASE (DECREASE) IN CASH FLOW	(102,403)	29,829
Cash and cash equivalents - beginning of year	<u>357,018</u>	<u>327,189</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 254,615	\$ 357,018
CASH AND CASH EQUIVALENTS CONSIST OF:		
CASH	\$ 97,677	\$ 154,852
GIC	<u>156,938</u>	<u>202,166</u>
	<u>\$ 254,615</u>	<u>\$ 357,018</u>

The accompanying notes are an integral part of these financial statements

KIDS UP FRONT FOUNDATION (CALGARY)

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE FOUNDATION

Kids Up Front Foundation (Calgary) (the "Foundation") is a charitable organization that receives donation of tickets to entertainment events and education opportunities from the local corporate community, event organizations, and the public. The Foundation then distributes the tickets to other charitable organizations to provide their clients under the age of 18 and their families with opportunities to attend events they would otherwise not be able to attend. The Foundation also provides opportunities to these organizations for their clients under the age of 18 and their families to participate in activities specifically arranged for them.

In June 2000, the Foundation was incorporated as a not-for-profit organization under the Societies Act of the Province of Alberta and commenced active operations in November of that year. As a registered charity the Foundation is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

Kids Up Front Foundation (Canada) is the national governing body of the local Kids Up Front Foundation. Atlantic, Calgary, Edmonton, Ottawa, Toronto, and Vancouver Kids Up Front Foundations are related by virtue of the fact that they all fall under the regulation of the same governing body (Kids Up Front Foundation (Canada)).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on the going concern basis and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments that are highly liquid, are readily convertible to known amounts of cash, have original maturities of 3 months or are redeemable and are subject to insignificant risk of change in value.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Leasehold improvements	5 years	straight-line method

The Foundation regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

The Foundation regularly reviews its capital assets to eliminate obsolete items. Capital assets are not amortized until they are placed into use.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of a tangible capital asset exceeds its fair value. An impairment loss is not reversed if the fair value of a tangible capital asset subsequently increases.

(continues)

KIDS UP FRONT FOUNDATION (CALGARY)

Notes to Financial Statements

Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. The organization's financial instruments accounted for at amortized cost consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The most significant estimates include: allowance for doubtful accounts, the amortization method and estimated useful lives and impairment of capital assets and the amount of accrued liabilities.

Revenue recognition

Kids Up Front Foundation (Calgary) follows the deferral method of accounting for contributions.

Restricted contributions and grant revenues are recognized as deferred contributions initially and recognized as revenue in the year in which the related expenses are incurred.

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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

In-kind donations are recorded when the fair market value is reasonably determinable.

Program and special event revenues are recognized in the year that the events are held. Government assistance and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

The operations of the Foundation depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated services is only recorded when the fair value is readily determinable. In 2023, the Foundation recognized \$32,558 of contributed in-kind legal services (2022 - \$45,531 of in-kind legal service).

Contributions of materials are recognized in the financial statements at fair value at the date of contribution, when fair value can be reasonably estimated and when the materials are used in the normal course of operations, and would otherwise have been purchased.

3. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2023.

(continues)

KIDS UP FRONT FOUNDATION (CALGARY)

Notes to Financial Statements

Year Ended December 31, 2023

3. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk with respect to its accounts receivable, cash and cash equivalents, and term deposits. The Foundation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Cash and cash equivalents and term deposits are deposited with Canadian Commercial banks. There have been no changes in the risk exposure as compared to the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation is exposed to this risk mainly in respect of its receipt of funds from donors, accounts payable and accrued liabilities. The organization has sufficient cash to discharge its liabilities.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

4. TERM DEPOSITS

Term deposits as at December 31, 2023 are comprised of one guaranteed investment certificate, which was renewed on January 31, 2023, bearing a variable interest rate of CIBC Prime Rate less 3.9% with a maturity date of January 31, 2024 and is redeemable on demand.

5. GOVERNMENT REMITTANCES

Accounts receivable includes GST remittances recoverable of \$4,856 (2022 - \$3,634). There are no government Payables as at December 31, 2023 \$Nil (2022 - \$Nil).

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 17,743	\$ 12,314	\$ 5,429	\$ 1,759
Computer software	34,751	34,751	-	-
Furniture and fixtures	595	595	-	-
Leasehold improvements	34,880	34,880	-	-
	<u>\$ 87,969</u>	<u>\$ 82,540</u>	<u>\$ 5,429</u>	<u>\$ 1,759</u>

7. DEFERRED REVENUE

Deferred revenue in 2023 is the collection of registration fees for a poker tournament that is scheduled to take place in 2024. Deferred revenue in 2022 was for registration fees for a poker tournament that occurred in 2023.

KIDS UP FRONT FOUNDATION (CALGARY)

Notes to Financial Statements

Year Ended December 31, 2023

8. CHARITABLE FUNDRAISING ACTIVITIES

As required under Alberta's Charitable Fund-raising Act Regulation, the following amounts are disclosed for fundraising activities in the province of Alberta.

	<u>2023</u>	<u>2022</u>
Revenue:		
Gross contributions received	\$ 337,929	\$ 447,433
Expenses:		
Program and special events (soliciting expenses)	112,225	159,679

9. LEASE COMMITMENTS

The Foundation has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at December 31, 2023, are as follows:

2024	\$ 36,603
2025	36,603
2026	<u>33,553</u>
	<u>\$ 106,759</u>

10. DUE TO RELATED PARTIES

Donations of \$18,333 (2022 - \$26,000) were collected from Kids Up Front Foundation (Toronto) on behalf of Kids Up Front Foundation (Calgary).

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related party.

11. GOVERNMENT ASSISTANCE

The Government of Canada created several programs to provide assistance to companies who experiences a decrease in revenues resulting from the COVID-19 outbreak. During the year, the Foundation met the eligibility requirements and accrued \$nil (2022 - \$5,792) for the Canadian Emergency Wage Subsidy and \$nil (2022 - \$nil) for the Canada Emergency Rent Subsidy. The entire amount has been recognized as government assistance on the statement of operations for the year ended December 31, 2022.
