

**DARE TO CARE
BULLY PREVENTION & LIFE SKILLS INC.**

Financial Statements

Year Ended June 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the Directors of Dare to Care Bully Prevention & Life Skills Inc.

Qualified Opinion

We have audited the financial statements of Dare to Care Bully Prevention & Life Skills Inc. (the Organization), which comprise the statement of financial position as at June 30, 2024, and the statements of operations, changes in net assets and cash flow 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 Organization as at June 30, 2024, and the results of its operations and cash flow 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 not-for-profit organizations, the Organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donations and fundraising, excess of revenues over expenses, current assets and net assets.

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 Organization 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.

Other Matter

The financial statements for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on November 22, 2023.

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

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Independent Auditor's Report to the Members of Dare to Care Bully Prevention & Life Skills Inc.
(continued)

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 Organization'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 Organization'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 Organization 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.

Swanson Alexander LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Red Deer, Alberta
October 22, 2024

DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.**Statement of Financial Position****June 30, 2024**

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 189,228	\$ 137,957
Term deposits	253,872	-
Accounts receivable	18,768	13,884
Prepaid expenses	6,559	9,396
	<u>468,427</u>	<u>161,237</u>
EQUIPMENT (Note 3)	122,722	142,474
INTANGIBLE ASSETS (Note 4)	81,300	63,490
	<u>\$ 672,449</u>	<u>\$ 367,201</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 31,836	\$ 24,923
Deferred contributions (Note 6)	294,091	67,041
Deferred online program sales	44,991	41,687
	<u>370,918</u>	<u>133,651</u>
NET ASSETS		
Unrestricted net assets	97,509	27,586
Invested in capital assets	204,022	205,964
	<u>301,531</u>	<u>233,550</u>
	<u>\$ 672,449</u>	<u>\$ 367,201</u>

ON BEHALF OF THE BOARD_____
*Director*_____
*Director**See notes to financial statements*

DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.**Statement of Operations
Year Ended June 30, 2024**

	2024	2023
REVENUE		
Contributions and grants	\$ 439,450	\$ 94,206
Donations	81,467	156,269
Fundraising	-	2,700
Interest income	8,047	327
Online program sales	51,881	34,342
Presentation fees school programs	-	23,035
Presentation fees sport programs	141,050	26,700
Travel reimbursement	25,147	-
	<u>747,042</u>	<u>337,579</u>
Program and travel subsidies	(159,351)	-
	<u>587,691</u>	<u>337,579</u>
DIRECT COSTS		
Credit card processing fees	733	1,352
Facilitation fees school program	-	26,545
Facilitation fees sport program	71,843	27,656
Program and fundraising costs	-	6,853
	<u>72,576</u>	<u>62,406</u>
GROSS PROFIT	<u>515,115</u>	<u>275,173</u>
EXPENSES		
Advertising and promotion	83,080	61,278
Amortization	25,164	25,582
Business development	1,442	2,122
Facilitator training	18,179	3,412
Insurance	2,241	2,187
Office	11,866	8,268
Podcast	13,362	-
Professional fees	28,123	15,284
Salaries and wages	217,535	105,118
Sub-contracts	8,838	-
Telephone	2,246	2,588
Training	1,964	-
Travel	33,094	435
	<u>447,134</u>	<u>226,274</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 67,981</u>	<u>\$ 48,899</u>

See notes to financial statements

DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.

Statement of Changes in Net Assets

Year Ended June 30, 2024

	Unrestricted Net Assets	Invested in Capital Assets	2024	2023
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ 192,947	\$ -	\$ 192,947	\$ 184,651
Separate invested in capital assets	(205,964)	205,964	-	-
Prior period adjustments (<i>Note 7</i>)	<u>40,603</u>	-	<u>40,603</u>	-
As restated	27,586	205,964	233,550	184,651
Excess (deficiency) of revenue over expenses	93,145	(25,164)	67,981	48,899
Investment in capital assets	<u>(23,222)</u>	23,222	-	-
NET ASSETS - END OF YEAR	<u>\$ 97,509</u>	<u>\$ 204,022</u>	<u>\$ 301,531</u>	<u>\$ 233,550</u>

**DEFICIENCY OF REVENUE OVER EXPENSES FOR
INVESTED IN CAPITAL ASSETS:**

Amortization expense \$ (25,164)

INVESTMENT IN CAPITAL ASSETS:

Purchase of equipment \$ 5,412

Purchase of intellectual property 17,810

\$ 23,222

DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.**Statement of Cash Flow**
Year Ended June 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Cash receipts from customers, governments, and other stakeholders	\$ 805,114	\$ 335,518
Cash paid to suppliers and employees	(484,796)	(270,459)
Interest received	8,047	327
	<u>328,365</u>	<u>65,386</u>
INVESTING ACTIVITIES		
Purchase of equipment	(5,412)	(21,321)
Purchase of intellectual property	(17,810)	(8,323)
	<u>(23,222)</u>	<u>(29,644)</u>
INCREASE IN CASH FLOW	305,143	35,742
Cash - beginning of year	<u>137,957</u>	<u>102,215</u>
CASH - END OF YEAR	\$ 443,100	\$ 137,957
CASH CONSISTS OF:		
Cash	\$ 189,228	\$ 137,957
Term deposits	<u>253,872</u>	<u>-</u>
	<u>\$ 443,100</u>	<u>\$ 137,957</u>

See notes to financial statements

DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.

Notes to Financial Statements

Year Ended June 30, 2024

1. OBJECTIVES AND ONGOING OPERATIONS

Dare to Care Bully Prevention & Life Skills Inc. (the "Organization") was incorporated on December 18, 2013 under the Canada Not-for-profit Corporations Act and offers a unique program regarded as the most comprehensive and practical bully prevention program in Canada. The Organization enables schools, sport organizations, community groups and workplaces to mobilize and maintain a caring community.

The Organization is registered as a charitable organization under the Income Tax Act of Canada (the "Act") and as such is exempt from income taxes and is able to issue official donation receipts for income tax purposes. In order to maintain its status as a charity under the Act, the Organization must meet certain requirements within the Act. In addition, the Organization must comply with the requirements of the Alberta Charitable Fundraising Act and Regulation.

The Organization's ongoing operations are dependent on the continued funding from interested stakeholders in the form of volunteer support, contributions and donations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis of accounting and revenue recognition

Dare to Care Bully Prevention & Life Skills Inc. follows the deferral method of accounting for contributions.

Restricted contributions are 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.

Donations, fundraising, interest income, presentation fees and travel reimbursement are recognized when earned and collection is reasonable assured.

Online program sales are recognized over the subscription term of the program (generally one year).

Allocation of overhead expenses

Overhead expenses are allocated to programs based on approved contribution agreement budgets and estimates of usage for each program.

Cash and cash equivalents

Cash represents amounts on deposit in Canadian bank accounts. Term deposits consist of cashable 1 year guaranteed investment certificates bearing interest at 4.25%.

Contributed goods and services

Contributed goods and services are recognized when the fair value can be reasonably determined and the good or service would otherwise be purchased and used in the normal course of operations.

Volunteers assist the Organization in carrying out its activities. Due to the difficulty of determining the fair value of such services, the contributions of volunteers are not recognized in these financial statements.

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DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.

Notes to Financial Statements

Year Ended June 30, 2024

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

Equipment

Equipment is stated at cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

AV and sound equipment	50%	declining balance method
Computer equipment	50%	declining balance method
Facilitator training program	20%	straight-line method
Furniture and fixtures	30%	declining balance method
Online school program	10%	declining balance method

One half of the stated rate is recorded in the year of addition, except for the facilitator training program and online school program which are recorded at the regular rate in the year of addition.

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.

Intangible assets

Intangible assets include the intellectual property and trademark for the Organization's bully prevention programs. Intangible assets are stated at cost. The Organization regularly reviews its intangible assets for impairment. If impairment is determined, the cost of the asset is decreased and recognized as a loss in the period in which it occurred.

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 include collectability of accounts receivable, amortization of equipment based on estimated useful lives, any impairment on the intangible assets, accrued liabilities for the annual intellectual property and trademark payment subject to estimates used in the net programming calculation, and other accrued liabilities relating to work done for the fiscal year not billed until after year-end.

These 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.

DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.**Notes to Financial Statements****Year Ended June 30, 2024****3. EQUIPMENT**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
AV and sound equipment	\$ 6,348	\$ 4,515	\$ 1,833	\$ 734
Computer equipment	8,669	5,869	2,800	412
Facilitator training program	50,000	50,000	-	10,000
Furniture and fixtures	5,621	5,253	368	526
Online school program	170,155	52,434	117,721	130,802
	\$ 240,793	\$ 118,071	\$ 122,722	\$ 142,474

4. INTANGIBLE ASSETS

	2024	2023
Intellectual property & trademark - cost	\$ 81,300	\$ 63,490

On December 15, 2021 (the closing date) the Organization purchased the intellectual property and trademark of the Dare to Care program from Lisa Dixon-Wells (Executive Director of the Organization). Under the terms of the purchase agreement, Lisa received a lump sum payment of \$50,000 in 2022; in addition, she is to receive 11 future payments. The Organization, starting on the first anniversary of the closing date and ending on the tenth anniversary of the closing date will be required to pay 15% of the net programming revenue calculated on the immediately preceding 12 month period (6.5 month period for the first payment and 5.5 month period for the final payment). Management is of the opinion there is no evidence of asset impairment at year-end.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable and accrued liabilities other than government remittances	\$ 22,718	\$ 21,350
Payroll source deductions	9,118	3,573
	\$ 31,836	\$ 24,923

DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.**Notes to Financial Statements****Year Ended June 30, 2024****6. DEFERRED CONTRIBUTIONS**

The following deferred contributions relate to grants received or receivable that will be applied to related expenses in the subsequent year.

	2023 Balance	Contributions received	Contributions recognized	2024 Balance
Community Initiatives Program (CIP)	\$ 17,138	\$ 60,000	\$ 77,138	\$ -
Bombardier Recreational Products Inc.	-	552,500	311,406	241,094
Canadian Women & Sport Dick and Nancy Wilson Fund	2,025	-	2,025	-
(Calgary Foundation)	-	4,000	1,000	3,000
Doc Seaman Amateur Sports grant (Calgary Foundation)	15,298	-	15,298	-
Fortis Inc.	6,359	-	-	6,359
Hunter Family Foundation	25,275	50,000	31,637	43,638
Weyerhaeuser Company	946	-	946	-
	\$ 67,041	\$ 666,500	\$ 439,450	\$ 294,091

7. PRIOR PERIOD ADJUSTMENTS

During the audit, it was determined that online program sales recognized in the prior year relate to programs which commence in the 2025 fiscal year and therefore should not have been recognized in revenue. As a result, at June 30, 2023, deferred income increased \$10,585, and online program sales decreased \$10,585 for the year ended June 30, 2023. In addition, it was discovered that unrestricted contributions received in the prior year were incorrectly deferred. As a result, at June 30, 2023, deferred contributions decreased \$51,188, and donations increased \$51,188 for the year ended June 30, 2023. As a result of these adjustments, net assets as at June 30, 2023 increased \$40,603.

The calculation of the payment in the prior year for the intellectual property & trademark was done incorrectly. As a result, at June 30, 2023, intangible assets and accounts payable and accrued liabilities decreased \$4,665.

In the prior year, marketing expenses funded by contributions were not correctly set-up as prepaid expenses due to a calculation error. As a result, prepaid expenses and deferred contributions at June 30, 2023 increased \$4,138, while contributions and grants, and advertising and promotion decreased \$4,138 for the year ended June 30, 2023.

DARE TO CARE BULLY PREVENTION & LIFE SKILLS INC.

Notes to Financial Statements

Year Ended June 30, 2024

8. RELATED PARTY TRANSACTIONS

The following is a summary of the Organization's related party transactions:

	<u>2024</u>	<u>2023</u>
Lisa Dixon-Wells		
<i>Executive Director of the Organization</i>		
Purchase of intellectual property and trademark	<u>\$ 17,810</u>	<u>\$ 8,323</u>

The purchase of intellectual property and trademark is recorded at the exchange amount, which is the amount agreed to within the contract between Lisa Dixon-Wells and the independent board of directors.

Included in accounts payable at year end is \$13,144 (2023 - \$6,877) owed to Lisa Dixon-Wells for the purchase of the intellectual property and trademark.

9. FINANCIAL INSTRUMENTS

It is the opinion of management that the Organization is not exposed to significant currency, interest rate or liquidity risks.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from grant providers and customers.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
