

**I CAN FOR KIDS FOUNDATION**

**Financial Statements**

**Year Ended December 31, 2023**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of I Can for Kids Foundation

### *Qualified Opinion*

We have audited the financial statements of I Can for Kids Foundation (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.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities 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 revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets and net assets as at January 1 and December 31 for both the 2023 and 2022 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 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.

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Independent Auditor's Report to the Members of I Can for Kids Foundation (*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 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.

Edmonton, Alberta  
March 26, 2024



Chartered Professional Accountants


**I CAN FOR KIDS FOUNDATION****Statement of Financial Position****December 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,124,171	\$ 1,066,100
Guaranteed investment certificate (Note 4)	418,877	-
Accounts receivable	22,873	15,825
Goods and services tax recoverable	2,217	1,903
Prepaid expenses	55,717	13,362
	<u>1,623,855</u>	<u>1,097,190</u>
EQUIPMENT (Note 5)	<u>3,860</u>	<u>5,113</u>
	<u>\$ 1,627,715</u>	<u>\$ 1,102,303</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 7,965	\$ 6,732
Deferred contributions (Note 6)	54,440	-
	<u>62,405</u>	<u>6,732</u>
<b>NET ASSETS - UNRESTRICTED</b>		
Operating	566,972	582,385
Program	998,338	513,186
	<u>1,565,310</u>	<u>1,095,571</u>
	<u>\$ 1,627,715</u>	<u>\$ 1,102,303</u>

COMMITMENT (Note 8)

SUBSEQUENT EVENT (Note 9)

**ON BEHALF OF THE BOARD**

DocuSigned by:  
  
 \_\_\_\_\_ Director

DocuSigned by:  
 Susan Currier  
 \_\_\_\_\_ Director

**I CAN FOR KIDS FOUNDATION****Statement of Operations****Year Ended December 31, 2023**

	Operating 2023	Program 2023	Total 2023	Operating 2022	Program 2022	Total 2022
<b>REVENUE</b>						
Gifts in kind <i>(Note 7)</i>	\$ 12,473	\$ 64,651	\$ 77,124	\$ -	\$ 79,467	\$ 79,467
Donations <i>(Note 7)</i>	369,172	846,590	1,215,762	372,189	935,507	1,307,696
Grants	5,500	107,560	113,060	-	40,000	40,000
Interest	9,438	9,438	18,876	-	-	-
	396,583	1,028,239	1,424,822	372,189	1,054,974	1,427,163
<b>EXPENSES</b>						
<b>Administrative</b>						
Amortization	1,325	-	1,325	1,714	-	1,714
Insurance	1,624	1,298	2,922	1,892	1,298	3,190
Marketing and communications	20,710	-	20,710	24,249	-	24,249
Marketing and communications - in kind	12,473	27,200	39,673	-	25,200	25,200
Non-profit organizational expense	1,212	-	1,212	1,163	-	1,163
Office supplies	3,141	13	3,154	3,522	-	3,522
Professional fees	101,122	6,761	107,883	85,400	-	85,400
Rent	27,419	-	27,419	19,534	-	19,534
Salaries and payroll expense	70,786	46,343	117,129	66,577	42,973	109,550
Service fees	5,338	1,694	7,032	4,158	6,540	10,698
Stewardship	530	1,136	1,666	2,305	57	2,362
Travel and meals	2,436	451	2,887	1,340	779	2,119
Utilities	2,662	-	2,662	2,459	-	2,459
	250,778	84,896	335,674	214,313	76,847	291,160
<b>Charitable program</b>						
Gift cards <i>(Note 7)</i>	-	581,958	581,958	-	631,612	631,612
Gift cards - in kind <i>(Note 7)</i>	-	37,451	37,451	-	54,267	54,267
	-	619,409	619,409	-	685,879	685,879
	250,778	704,305	955,083	214,313	762,726	977,039
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ 145,805	\$ 323,934	\$ 469,739	\$ 157,876	\$ 292,248	\$ 450,124

**I CAN FOR KIDS FOUNDATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2023**

	Operating 2023	Program 2023	Total <b>2023</b>	Operating 2022	Program 2022	Total <b>2022</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 582,385	\$ 513,186	\$ <b>1,095,571</b>	\$ 424,509	\$ 220,938	\$ 645,447
EXCESS OF REVENUE OVER EXPENDITURES	145,805	323,934	<b>469,739</b>	157,876	292,248	450,124
TRANSFERS TO PROGRAM	(161,218)	161,218	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 566,972</b>	<b>\$ 998,338</b>	<b>\$ 1,565,310</b>	<b>\$ 582,385</b>	<b>\$ 513,186</b>	<b>\$ 1,095,571</b>

**I CAN FOR KIDS FOUNDATION****Statement of Cash Flows**  
**Year Ended December 31, 2023**

	<b>2023</b>	2022
<b>OPERATING ACTIVITIES</b>		
Cash received from contributors	\$ 1,208,400	\$ 1,296,367
Cash received from grants	167,500	40,000
Cash paid for expenses	<u>(917,757)</u>	<u>(906,818)</u>
Cash flow from operating activities	<u>458,143</u>	429,549
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(72)	(392)
Purchase of guaranteed investment certificate	<u>(400,000)</u>	<u>-</u>
Cash flow used by investing activities	<u>(400,072)</u>	<u>(392)</u>
<b>INCREASE IN CASH FLOW</b>	<b>58,071</b>	429,157
Cash - beginning of year	<u>1,066,100</u>	636,943
<b>CASH - END OF YEAR</b>	<b><u>\$ 1,124,171</u></b>	<b><u>\$ 1,066,100</u></b>

## I CAN FOR KIDS FOUNDATION

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 1. DESCRIPTION OF OPERATIONS

I Can for Kids Foundation (the Foundation) is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act. The Foundation is a registered charitable organization and is exempt from income taxes under the Income Tax Act.

The Foundation provides nutritional support to food insecure children and youth in Calgary through the provision of grocery gift cards. In collaboration with a network of frontline social service agencies and community partners along with hundreds of volunteers, the Foundation supports the health and wellbeing of thousands of kids every year.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of accounting

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

##### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises 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. 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.

Estimates made by management include accounts receivable as stated after evaluation as to its collectability and an approximate allowance for doubtful accounts is provided where considered necessary.

##### Financial instruments

###### Initial measurement

The Foundation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involved parties whose sole relationship with the Foundation is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Foundation in the transaction.

###### Subsequent measurement

The Foundation subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash, guaranteed investment certificates, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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**I CAN FOR KIDS FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2023**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Impairment

For financial assets measured at cost or amortized cost, the Foundation determines whether there are indications of possible impairment. When there are, and the Foundation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be 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 income.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Cash and cash equivalents

Cash consists of funds held on deposit with financial institutions.

Equipment

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

Equipment	20%	declining balance method
Computer equipment	30%	declining balance method

Equipment acquired during the year but not placed into use is not amortized until they are placed into use.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions, which includes grants and donations. Restricted contributions, including grants received to fund future capital acquisitions, are recognized as revenue in the year in which the related expenses are incurred. Any amounts received but not utilized are classified as deferred contributions. 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.

Revenues from gifts in kind and sponsorship are recognized when the services are provided.

Interest income is recognized as it is earned.

Contributed services

The Foundation records the fair market value of contributed goods and services only in the circumstances where the fair market value is reasonably determinable and where the goods and services would otherwise be purchased by the Foundation.

Volunteers contribute many hours per year to assist the Foundation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services of the volunteers are not recognized in these financial statements.

**I CAN FOR KIDS FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2023****3. FINANCIAL INSTRUMENTS**

The entity is exposed to various risks through its financial instruments. The following analysis provides information about the entity's risk exposure and concentration as of December 31, 2023.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from contributors. The Foundation has mitigated this risk by only scaling operations in relation to cash on hand. The Foundation only initiates programming once the required funding has been secured.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Foundation is exposed to interest rate risk primarily through its guaranteed investment certificate.

**4. GUARANTEED INVESTMENT CERTIFICATE**

The guaranteed investment certificate includes accrued interest and bears interest at 5.30% and matures February 9, 2024.

**5. EQUIPMENT**

	Cost	Accumulated amortization	<b>2023 Net book value</b>
Equipment	\$ 2,896	\$ 1,135	<b>\$ 1,761</b>
Computer equipment	4,798	2,699	<b>2,099</b>
	<b>\$ 7,694</b>	<b>\$ 3,834</b>	<b>\$ 3,860</b>

	Cost	Accumulated amortization	2022 Net book value
Equipment	\$ 2,896	\$ 695	\$ 2,201
Computer equipment	4,726	1,814	2,912
	<b>\$ 7,622</b>	<b>\$ 2,509</b>	<b>\$ 5,113</b>

**I CAN FOR KIDS FOUNDATION****Notes to Financial Statements****Year Ended December 31, 2023****6. DEFERRED CONTRIBUTIONS**

Deferred contributions represent amounts received for which the specific expenditures have not been incurred. The amounts will be recognized as revenue when the specific expenditures are incurred.

	<u>2023</u>	<u>2022</u>
<u>Community Foundations of Canada</u>		
Opening balance	\$ -	\$ -
Funds received	67,500	-
Less: authorized expenditures	(13,060)	-
	<u>54,440</u>	<u>-</u>
<u>Hunter Family Foundation</u>		
Opening balance	-	25,000
Funds received	-	-
Less: authorized expenditures	-	(25,000)
	<u>-</u>	<u>-</u>
	<u>\$ 54,440</u>	<u>\$ -</u>

**7. DONATIONS**

Donations revenue is comprised of the following sources:

	<u>2023</u>	<u>2022</u>
Individual	\$ 222,813	\$ 305,510
Corporate	349,348	409,447
Charity	643,601	513,217
Other	-	79,522
	<u>\$ 1,215,762</u>	<u>\$ 1,307,696</u>

During the year, the Foundation received in-kind donated materials and services with a value of \$77,124 (2022 - \$79,467). The materials and services related primarily to marketing, communications, materials and supplies.

The Foundation purchased bulk grocery gift cards using donated funds. The bulk purchases resulted in discounts enabling the organization to purchase a higher value of gift cards than the amount of donated funds. The value of any discounts received is not recorded in these financial statements.

**8. COMMITMENT**

The Foundation has a lease commitment with respect to its premises. The lease agreement expires December 31, 2025. Future minimum lease payments as at December 31, 2023, are as follows:

2024	\$ 14,113
2025	<u>14,434</u>
	<u>\$ 28,547</u>

The Foundation is also required to make monthly payments for its proportionate share of operating costs on the leased premise.

**I CAN FOR KIDS FOUNDATION**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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9. SUBSEQUENT EVENT

Subsequent to year end, the Foundation has been awarded a Community Initiative Program grant for \$75,000. This grant will be recognized as revenue when the specific expenditures are incurred.

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