

MICHAEL CUCCIONE FOUNDATION

A Not-for-Profit Organization

FINANCIAL STATEMENTS

December 31, 2022

GBCO

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of Michael Cuccione Foundation

We have reviewed the accompanying financial statements of Michael Cuccione Foundation ("the Foundation") that comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets 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 of these 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.

Practitioner's 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 practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates 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 revenues from fundraising activities and donations, the completeness of which are not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to fundraising and donations revenues, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at December 31 for both the 2022 and 2021 year ends. Our review on the financial statements as at and for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

INDEPENDENT PRACTITIONER'S 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 the Foundaton as at December 31, 2022 and the results of its operations and its cash flows for the year 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 used in preparing and presenting the financial statements are in accordance with Canadian accounting standards for non-for-profit organizations, and have been applied on a consistent basis with that of the preceding year.

Galloway Bottwell & Company

Chartered Professional Accountants
Vancouver, BC
June 8, 2023

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MICHAEL CUCCIONE FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2022

Unaudited - see review engagement report

	2022	%	2021	%
Revenue				
Fundraising events	\$ 360,462	46.2	\$ 220,869	53.0
Annual gala	303,427	38.9	61,241	14.7
Donations	105,105	13.5	128,883	30.9
Interest income	7,835	1.0	5,648	1.4
Foreign currency exchange gain (loss)	3,039	0.4	(162)	0.0
	779,868	100.0	416,479	100.0
Expenditures				
Annual gala	75,452	9.7	12,554	3.0
Fundraising events	50,820	6.5	29,376	7.1
Wages and benefits	33,650	4.3	33,483	8.0
Website and social media	20,465	2.6	22,604	5.4
Community support	13,891	1.8	8,061	1.9
Professional services	11,986	1.5	14,041	3.4
Advertising and promotion	8,245	1.1	8,104	1.9
Office	5,611	0.7	7,561	1.8
Telephone	3,999	0.5	4,212	1.0
Travel	3,251	0.4	-	0.0
Bank charges	2,002	0.3	2,929	0.7
Insurance	(3,358)	(0.4)	(2,776)	(0.7)
	226,014	29.0	140,149	33.7
Excess of revenue over expenditures before distribution of funds	553,854	71.0	276,330	66.3
Distribution of funds				
Donations to qualified donees	506,500	64.9	508,500	122.1
Excess (deficiency) of revenue over expenditures/distributions	47,354	6.1	(232,170)	(55.7)
Net assets, beginning of year	1,549,980		1,782,150	
Net assets, end of year	\$ 1,597,334		\$ 1,549,980	

See accompanying notes

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF FINANCIAL POSITION

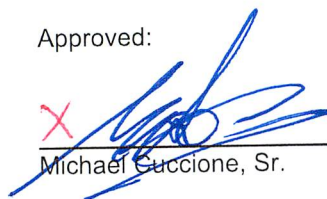
As at December 31, 2022

Unaudited - see review engagement report

	2022	2021
ASSETS		
Current		
Cash and cash equivalents	\$ 121,535	\$ 786,515
Term deposits	1,017,956	352,712
Accounts receivable (note 3)	39,114	3,253
Prepaid expenses	1,714	1,696
	1,180,319	1,144,176
Investment in private corporation	200,000	200,000
Life insurance - cash surrender value	243,658	219,763
	\$ 1,623,977	\$ 1,563,939
LIABILITY		
Current		
Accounts payable and accrued liabilities (note 4)	\$ 26,643	\$ 13,959
	1,597,334	1,549,980
NET ASSETS	\$ 1,623,977	\$ 1,563,939

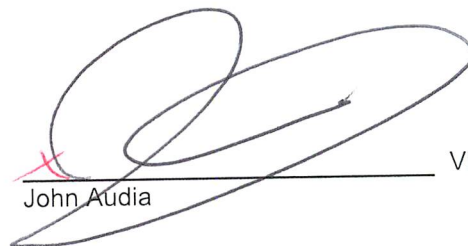
See accompanying notes

Approved:



Michael Cuccione, Sr.

President



John Audia

Vice President

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

Unaudited - see review engagement report

	2022	2021
Cash used for:		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 47,354	\$ (232,170)
Adjustment for non-cash item:		
Insurance - adjustment to cash surrender value	(6,325)	(5,885)
	41,029	(238,055)
Net change in non-cash working capital items:		
Purchase and redemption of term deposits	(665,244)	190,835
Accounts receivable	(35,861)	12,809
Prepaid expenses	(18)	2,921
Accounts payable and accrued liabilities	12,684	(3,316)
	(647,410)	(34,806)
Cash flows from operating activities	(647,410)	(34,806)
Investing activity		
Life insurance and cash flows from investing activity	(17,570)	(17,570)
	(664,980)	(52,376)
Net decrease in cash and cash equivalents	(664,980)	(52,376)
Cash and cash equivalents, beginning of year	786,515	838,891
Cash and cash equivalents, end of year	\$ 121,535	\$ 786,515

See accompanying notes

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Unaudited - see review engagement report

1. Purpose of the organization

The Foundation, which is incorporated without share capital under the laws of Canada, is a registered Canadian charity and, as such, is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act (Canada).

The Foundation was formed to raise funds through bequests, gifts, donations and various fundraising activities and to expend or administer these funds for cancer research and for the use of children's hospitals located in Canada. In addition, it is also the purpose of the Foundation to raise cancer awareness in the community, to provide emotional support to cancer patients and their families, and to promote the foregoing purposes throughout Canada.

2. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Revenue recognition

The Foundation follows the deferral method of accounting to account for contributions for not-for-profit organizations.

The Foundation receives donations largely from events and annual fundraising campaigns held throughout the year to support cancer research, fund cancer awareness and cancer support initiatives throughout Canada.

Unrestricted donations are recognized as revenue when received. Restricted donations are deferred and recognized as revenue in the year in which the related expenses are recognized.

Externally restricted grants that have not been expended are recorded as deferred revenue on the statement of financial position. Unrestricted grants are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Interest income has been recorded directly into the statement of operations and recognition is based on the accrual method.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Assumptions are based on a number of factors, including historical experience, current events and actions that the Foundation may undertake in the future, and other assumptions believed reasonable.

Donated services

The Foundation benefits from donated services in the form of volunteer work for various activities. The value of donated services is not recognized in the financial statements.

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Unaudited - see review engagement report

2. Summary of significant accounting policies — continued

Cash and cash equivalents

Cash and equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

Term deposits

Short-term investments with maturities of one year or less from their date of acquisition are subject to an insignificant risk to changes in their fair value.

Investment in private corporation

The Foundation accounts for its investments in private companies at cost.

Life insurance

The Foundation carries a life insurance policy, which is presented at its cash surrender value.

Foreign currency transactions

Monetary assets and liabilities of the Foundation, which are denominated in foreign currencies are translated at year end exchange rates. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations

Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and liabilities at cost or amortization cost.

Investments in shares of private companies are recorded at cost. Life insurance policies are carried at its cash surrender value. The Foundation's financial instruments consist of cash and cash equivalents, term deposits, accounts receivables, investment in private corporation, life insurance - cash surrender value, and accounts payable and accrued liabilities.

3. Accounts receivable

	2022	2021
Accounts receivable	\$ 56,465	\$ 26,399
Accrued interest	7,243	1,375
Government agencies	1,306	1,379
Allowance for doubtful accounts	(25,900)	(25,900)
	\$ 39,114	\$ 3,253

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Unaudited - see review engagement report

4. Accounts payable and accrued liabilities

	2022	2021
Accounts payable	\$ 14,806	\$ 2,099
Accrued liabilities	11,000	11,000
Due to government agency	837	860
	\$ 26,643	\$ 13,959

5. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

6. Financial risk management

The Foundation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

Liquidity risk

Market risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market prices. Some of the Foundation's financial instruments expose it to this risk, which comprises currency risk and interest rate risk.

Credit risk

The Foundation's exposure to credit risk consists principally of cash and equivalents and term deposits. The Foundation maintains cash and cash equivalents and term deposits with reputable and major financial institutions. Management considers the risk of non-performance of these instruments to be remote.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Certain cash and cash equivalents and term deposits are denominated in U.S. dollars. These balances are therefore subject to gains or losses due to fluctuations in that currency.

Foreign exchange risk

The Foundation's exposure to credit risks consists principally of cash and equivalents and term deposits. The Foundation maintains cash and cash equivalents and term deposits with reputable and major financial institutions. Managements considers the risk of non-performance of these instruments to be remote.