

MICHAEL CUCCIONE FOUNDATION

A Not-For-Profit Organization

FINANCIAL STATEMENTS

December 31, 2023

INDEX TO FINANCIAL STATEMENTS

	Page
Independent Practitioner's Review Engagement Report	1 - 2
Financial Statements	
Statement of Operations and Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9



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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 that comprise the statement of financial position as at December 31, 2023, 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, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at December 31 for both the 2023 and 2022 year ends. Our review on the financial statements as at and for the year ended December 31, 2023 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 Botteselle & Company

Chartered Professional Accountants
Vancouver, BC
June 3, 2024

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2023

Unaudited - see review engagement report

	2023	%	2022	%
Revenue				
Government grants	\$ 400,000	31.1	\$ -	0.0
Fundraising events	388,466	30.2	360,462	46.2
Annual gala	309,775	24.1	303,427	38.9
Donations	137,729	10.7	105,105	13.5
Interest income	49,465	3.9	7,835	1.0
Foreign currency exchange gain (loss)	(964)	(0.1)	3,039	0.4
	1,284,471	100.0	779,868	100.0
Expenditures				
Fundraising events	67,670	5.3	50,820	6.5
Annual gala	58,903	4.6	75,452	9.7
Wages and benefits	36,318	2.8	33,650	4.3
Website and social media	24,428	1.9	20,465	2.6
Community support	18,395	1.4	13,891	1.8
Professional services	14,594	1.1	11,986	1.5
Office	11,726	0.9	5,611	0.7
Advertising and promotion	8,684	0.7	8,245	1.1
Bank charges	5,501	0.4	2,002	0.3
Telephone	4,327	0.3	3,999	0.5
Travel	3,728	0.3	3,251	0.4
Insurance	(4,976)	(0.4)	(3,358)	(0.4)
	249,298	19.4	226,014	29.0
Excess of revenue over expenditures before distribution of funds	1,035,173	80.6	553,854	71.0
Distribution of funds				
Donations to qualified donees	517,159	40.3	506,500	64.9
Excess of revenue over expenditures/distributions	518,014	40.3	47,354	6.1
Net assets, beginning of year	1,597,334		1,549,980	
Net assets, end of year	\$ 2,115,348		\$ 1,597,334	

See accompanying notes

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF FINANCIAL POSITION

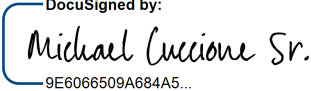
As at December 31, 2023

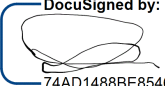
Unaudited - see review engagement report

	2023	2022
ASSETS		
Current		
Cash and cash equivalents	\$ 129,244	\$ 121,535
Term deposits	1,483,351	1,017,956
Accounts receivable (note 3)	49,658	39,114
Prepaid expenses	1,815	1,714
	1,664,068	1,180,319
Investment in private corporation	200,000	200,000
Life insurance - cash surrender value	269,302	243,658
	\$ 2,133,370	\$ 1,623,977
LIABILITY		
Current		
Accounts payable and accrued liabilities (note 4)	\$ 18,022	\$ 26,643
NET ASSETS	2,115,348	1,597,334
	\$ 2,133,370	\$ 1,623,977

See accompanying notes

Approved:

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 Michael Cuccione, Sr. President

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 John Audia Vice President

MICHAEL CUCCIONE FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

Unaudited - see review engagement report

	2023	2022
Cash used for:		
Operating activities		
Excess of revenue over expenditures	\$ 518,014	\$ 47,354
Adjustment for non-cash item:		
Insurance - adjustment to cash surrender value	(8,074)	(6,325)
	509,940	41,029
Net change in non-cash working capital items:		
Purchase and redemption of term deposits	(465,395)	(665,244)
Accounts receivable	(10,544)	(35,861)
Prepaid expenses	(101)	(18)
Accounts payable and accrued liabilities	(8,621)	12,684
Cash flows from operating activities	25,279	(647,410)
Investing activity		
Life insurance and cash flows from investing activity	(17,570)	(17,570)
Net increase in cash and cash equivalents	7,709	(664,980)
Cash and cash equivalents, beginning of year	121,535	786,515
Cash and cash equivalents, end of year	\$ 129,244	\$ 121,535

See accompanying notes

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023

*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

	2023	2022
Accounts receivable	\$ 68,725	\$ 56,465
Accrued interest	5,187	7,243
Government agencies	1,646	1,306
Allowance for doubtful accounts	(25,900)	(25,900)
	\$ 49,658	\$ 39,114

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

*Unaudited - see review engagement report***4. Accounts payable and accrued liabilities**

	2023	2022
Accrued liabilities	\$ 12,250	\$ 11,000
Due to government agency	553	837
Accounts payable	5,219	14,806
	\$ 18,022	\$ 26,643

5. 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.

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.

Market 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 is exposed to this risk, which comprises currency risk and interest rate risk.

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 rate. The Foundation has substantial term deposits with fixed interest rates. Management has determined that the interest rate risk is low.

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.

MICHAEL CUCCIONE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Unaudited - see review engagement report

5. Financial risk management — continued

Concentration of credit risk

The Foundation has concentration of interest rate risk. Concentration of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The Foundation has substantial term deposits, and the future cash flow could be affected if interest rate changes. The Foundation reduces the risk by monitoring interest rates and entering term deposits with fixed interest rates. Management considers the concentration risk exposure low and is not material.