

**VOCM Cares**  
**Financial Statements**  
**For the Year Ended August 31, 2023**

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**Financial Statements**  
**For the Year Ended August 31, 2023**

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## Independent Auditor's Report

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To the board of directors of VOCCM Cares

### Opinion

We have audited the financial statements of VOCCM Cares, which comprise the statement of financial position as at August 31, 2023, 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of VOCCM Cares as at August 31, 2023, and its results of 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, VOCCM Cares 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 VOCCM Cares. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, deficiency of revenues over expenses, and cash flows from operations for the years ended August 31, 2023 and August 31, 2022, current assets at August 31, 2023 and 2022, and net assets as at September 1 and August 31 for both the 2023 and 2022 years. Our opinion on the financial statements for the year August 31, 2022 was modified because of the possible effects of this limitation in scope.

### Emphasis of Matter - Restated Comparative Information

We draw attention to note 2 of the financial statements, which explains that certain comparative information presented for the year ended August 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

### 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 VOCCM Cares 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 VOCCM Cares or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing VOCCM Cares financial reporting process.



### **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 VOCM Cares 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 VOCM Cares 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 VOCM Cares 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.

Chartered Professional Accountants

St. John's, Newfoundland and Labrador  
February 9, 2024

**VOCM Cares**  
**Statement of Financial Position**

August 31	2023	2022 <i>(Restated - Note 2)</i>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 83,622	\$ 65,266
Temporary investments (Note 3)	442,899	301,806
Accounts receivable	24,805	35,412
Inventory	40,227	42,727
	591,553	445,211
Long-term investments (Note 3)	-	131,512
Tangible capital assets	1,281	1,602
	\$ 592,834	\$ 578,325
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 76,766	\$ 10,500
<b>Net Assets</b>		
Internally restricted (Note 9)	195,363	208,018
Unrestricted	320,705	359,808
	516,068	567,825
	\$ 592,834	\$ 578,325

The accompanying notes are an integral part of these financial statements.

**VOCM Cares**  
**Statement of Changes in Net Assets**

<b>For the year ended August 31</b>	<u>Internally Restricted (Note 9)</u>				<b>Unrestricted</b>	<b>2023 Total</b>	<b>2022 (Restated - Note 2) Total</b>
	<b>Special projects and capital campaigns</b>	<b>Children's trust mandate</b>	<b>Emergency trust mandate</b>				
<b>Balance, beginning of the year</b>	\$ 50,000	\$ 93,018	\$ 65,000	\$ 359,807	\$ 567,825	\$ 637,862	
<b>Deficiency of revenues over expenses</b>	-	(12,655)	-	(39,102)	(51,757)	(70,037)	
<b>Balance, end of the year</b>	\$ 50,000	\$ 80,363	\$ 65,000	\$ 320,705	\$ 516,068	\$ 567,825	

The accompanying notes are an integral part of these financial statements.

## VOCM Cares Statement of Operations

<b>For the year ended August 31</b>	<b>2023</b>	<b>2022</b> <i>(Restated - Note 2)</i>
<b>Revenue</b>		
Radio bingo (Note 4)	\$ 850,540	\$ 747,442
Other fundraising activities	70,778	26,254
VOCM Happy Tree	13,970	16,125
Interest income	12,067	4,535
Donations	8,717	11,484
	<b>956,072</b>	<b>805,840</b>
<b>Direct Expenses</b>		
Radio bingo (Note 4)	583,937	530,196
Charitable activities (Note 7)	223,938	175,276
VOCM Happy Tree (Note 5)	30,622	24,493
	<b>838,497</b>	<b>729,965</b>
<b>Revenue in excess of direct expenses</b>	<b>117,575</b>	<b>75,875</b>
<b>Expenses</b>		
Administrative costs (Note 6)	115,311	109,590
Professional fees	24,809	18,370
Vehicle lease	8,881	1,923
Advertising and promotion (Note 6)	7,147	6,860
Office	4,639	2,812
Interest and bank charges	2,570	1,966
Supplies	2,530	1,552
Insurance	1,404	1,431
Repairs and maintenance	927	376
Travel	794	632
Amortization of tangible capital assets	320	400
	<b>169,332</b>	<b>145,912</b>
<b>Deficiency of revenues over expenses</b>	<b>\$ (51,757)</b>	<b>\$ (70,037)</b>

The accompanying notes are an integral part of these financial statements.



## VOCM Cares Statement of Cash Flows

For the year ended August 31	2023	2022 (Restated - Note 2)
<b>Cash flows (used in) from operating activities</b>		
Deficiency of revenues over expenses	\$ (51,757)	\$ (70,037)
Items not affecting cash:		
Amortization of tangible capital assets	320	400
	(51,437)	(69,637)
Changes in non-cash working capital:		
Accounts receivable	10,608	(3,825)
Inventory	2,500	(8,862)
Accounts payable and accrued liabilities	66,265	(73,149)
	27,936	(155,473)
<b>Cash flows (used in) from investing activities</b>		
Purchase of investments	(310,795)	(303,544)
Proceeds on disposal of investments	301,215	134,899
	(9,580)	(168,645)
<b>Net increase (decrease) in cash</b>	18,356	(324,118)
<b>Cash, beginning of the year</b>	65,266	389,384
<b>Cash, end of the year</b>	\$ 83,622	\$ 65,266

The accompanying notes are an integral part of these financial statements.

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# VOCM Cares Notes to Financial Statements

**August 31, 2023**

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## 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	VOCM Cares (the "Foundation") is a not-for-profit organization incorporated without share capital under the Corporations Act of Newfoundland and Labrador. The Foundation was registered effective September 1, 1983 as a public foundation. Public foundations are income tax exempt provided they meet certain expenditure and other requirements set out by the Canadian Income Tax Act. The Foundation raises funds from bingo and other fundraising activities and distributes these funds to community organizations in Newfoundland and Labrador.
<b>Basis of Accounting</b>	The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).
<b>Revenue Recognition</b>	<p>The Foundation follows the deferral method of accounting for contributions.</p> <p>Revenue from the sales of bingo cards is recognized on delivery of goods and services, which generally coincides with the exchange of cash.</p> <p>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.</p> <p>Interest income is recognized as earned.</p>
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates included in the financial statements are related to accounts payable and accrued liabilities.

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## VOCM Cares Notes to Financial Statements

August 31, 2023

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### 1. Significant Accounting Policies (continued)

**Tangible Capital Assets** Purchased tangible capital assets are stated at cost less accumulated amortization. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Furniture and office equipment	Declining balance	20%

When a tangible capital asset no longer has any long-term service potential to the Foundation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the statement of operations.

**Temporary Investments** Temporary investments consist of guaranteed investment certificates (GICs) with maturity dates of twelve months or less, and funds maintained in a savings account.

**Long-term Investments** Long-term investments consist of guaranteed investment certificates (GICs) with maturity dates of greater than twelve months.

**Contributed Services** Volunteers contribute significant amounts of time to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Financial Instruments** Financial instruments are recorded at fair value at initial recognition. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Financial instruments are tested for impairment when indicators of impairment exist. Financial instruments consist of accounts receivable and accounts payable and accrued liabilities.

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**VOCM Cares**  
**Notes to Financial Statements**

**August 31, 2023**

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**2. Prior Period Adjustment**

During the year, the Foundation identified an error in its financial statements for the prior year related to the presentation of some of its charitable activities in the statement of operations. Certain expenses were recorded directly through the internally restricted funds, and were not expensed through the statement of operations. The correction of this error resulted in a prior period adjustment, however there was no change to the net assets of the Foundation. The details of the adjustment are as follows:

	Previously stated	Adjustment	Restated
Charitable Activities	133,293	41,982	175,276
Deficiency of revenue over expenses	(28,055)	(41,982)	(70,037)

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**3. Investments**

	2023	2022
Temporary investments:		
Scotiabank, Guaranteed Investment Certificates, 1.30%, matured on March 16, 2023	-	301,806
Scotiabank, Guaranteed Investment Certificates, 0.45%, maturing on December 4, 2023	<b>132,104</b>	-
Scotiabank, Guaranteed Investment Certificates, 4.9%, maturing on April 16, 2024	<b>310,795</b>	-
	<b>442,899</b>	301,806
Long-term investment:		
Scotiabank, Guaranteed Investment Certificates, 0.45%, maturing on December 4, 2023	-	131,512
Total investments	<b>\$ 442,899</b>	<b>\$ 433,318</b>

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**VOCM Cares**  
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**August 31, 2023**

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**4. Radio Bingo**

	<u>2023</u>	<u>2022</u>
Revenue from bingo	\$ 850,540	\$ 747,442
Expenses		
Prizes	176,585	155,488
Printing	91,531	60,440
Broadcasting time and advertising (Note 5)	88,714	90,804
Commissions	198,353	194,458
Salaries	25,725	21,651
Other	2,986	7,355
	<u>583,894</u>	<u>530,196</u>
	<u>\$ 266,646</u>	<u>\$ 217,246</u>

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**5. VOCM Happy Tree**

Revenues include proceeds from general donations made to the VOCM Happy Tree as well as funds raised from the Happy Tree concert. Disbursements are made for Christmas activities or other VOCM Cares charitable donations. Subsequent to year end VOCM Cares ended the Happy Tree Program

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**VOCM Cares**  
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**6. Related Party Transactions**

Stingray Group Inc. ("Stingray"), a broadcasting company in Newfoundland and Labrador, is affiliated with the Foundation by virtue of common directors. Stingray provides administrative, technical and advertising services to the Foundation. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties. During the current year there was additional administrative costs incurred by the Foundation in order to true up salary costs to a gross pay basis that were previously invoiced by Stingray on a net pay basis. Financial activities during the fiscal year between the Foundation and Stingray were as follows:

	<u>2023</u>		<u>2022</u>
Administrative and other expenses	\$ 115,311	\$	109,590
Purchase of broadcasting	88,714		90,804
Advertising	3,734		1,294
	<u>\$ 207,759</u>	<u>\$</u>	<u>201,688</u>

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## VOCM Cares Notes to Financial Statements

August 31, 2023

### 7. Charitable Activities

	2023	2022
Autism Society of Newfoundland and Labrador Inc.	\$ -	\$ 2,500
Agriculture in the Classroom	4,947	-
Anglican Homes Incorporated	2,000	-
Arthritis Society - Atlantic Region	5,000	-
Big Brothers Big Sisters of NL	1,000	5,000
Boys and Girls Club Bell Island	500	-
Boys and Girls Club St. John's	5,000	-
Buckmaster's Circle Community	4,500	6,400
Burin Peninsula Health Care Foundation	1,000	2,000
Canadian Cancer Society	1,000	-
Central Northeast Health Foundation	-	2,000
Canadian Mental Health Association	500	-
Canadian Red Cross	10,000	2,500
Central Northeast Health Foundation	1,000	-
Children's Trust Mandate Activities	12,655	-
CNIB	5,000	-
College of the North Atlantic	2,500	-
Community Center Alliance	1,500	-
Community Food Sharing Association	31,527	-
Community Sector Council	3,000	-
Discovery Health Care Foundation	1,000	-
Dr. Charles LeGrow Health Center	-	1,000
Easter Seals, Newfoundland and Labrador Inc.	5,300	-
Eating Disorder Foundation of NL	-	5,000
Exploits Ground Search and Rescue	-	5,000
Friendly Fifty Plus Club	1,114	-
Grenfell Foundation	4,000	5,000
Health Care Foundation	5,000	-
Home Again Furniture Bank	-	5,938
James Hornell Boys & Girls Club	2,500	-
Kids Eat Smart Foundation	1,000	1,000
Kids Help Phone	-	5,000
Lion Max Simms Memorial Camp Foundation	-	5,000
Lionel Kelland Hospice	25,000	25,000
Leukemia and Lymphoma Society of Canada	2,500	20,756
MacMorran Community Centre	2,500	-
Make a Wish Foundation NL	10,000	-
Memorial University of NL - Botanical Garden	10,000	-
MS Society Atlantic	-	10,000
Murphy Centre	-	6,000
NL Sexual Assault Crisis and Prevention Centre	-	5,000
Newfoundland Symphony Orchestra Association	3,000	-
NL Down Syndrome Society	2,500	-
Opera On The Avalon	2,500	-
Planned Parenthood	-	3,800
Parkinson Society of NL	5,000	-
Pottle Centre	3,045	-
Public Legal Information Association NL	1,500	-
Quidi Vidi / Rennie's River Development Foundation	12,500	-

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Rabbittown Community Centre	-	3,000
Rovers Search and Rescue	-	5,000
Ronald McDonald House	-	1,000
R.E.A.L. Program	3,000	2,500
Ronald McDonald House	1,250	-
Sharing our Cultures Inc.	1,500	-
Sponsorships	-	6,500
Stella's Circle	-	5,000
Smallwood Crescent Community Centre Inc.	3,100	-
South & Central Health Foundation	1,000	-
St. John's Status of Women Council	5,000	-
St. Patrick's Mercy Home Foundation	2,000	-
St. John's Aquarium Inc. Petty Harbour Mini Aquarium	1,000	-
The Children's Trust	-	6,982
The Geraldine Rubia Centre Inc.	5,000	-
The Gathering Place	-	4,900
Vera Perlin Society	2,000	-
Vine Place Community Centre	4,500	-
Western Regional Hospital Foundation	1,000	1,000
YMCA	-	5,000
Youth 2000 Centre	1,000	-
Other amounts \$1,500 or less	-	10,500
	<u>\$ 223,938</u>	<u>\$ 175,276</u>

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**8. Vehicle Lease**

At August 31, 2023, The Foundation had an operating lease related to a vehicle which includes minimum lease payments at year-end as follows:

2024	8,355
Thereafter	<u>24,403</u>
	<u>\$ 32,758</u>

Subsequent to year end, the operating lease was terminated and the vehicle was returned.

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## VOCM Cares Notes to Financial Statements

**August 31, 2023**

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### 9. Internally Restricted Net Assets

The balance included in internally restricted net assets represents amounts internally restricted by the Foundation's board of directors and is comprised of the following internally restricted funds:

	2023	2022
Children's trust mandate	\$ 80,363	\$ 93,018
Special projects and capital campaigns	50,000	50,000
Emergency trust mandate	65,000	65,000
	\$ 195,363	\$ 208,018

The Children's Trust Mandate fund is internally restricted by the Foundation's and supports families in Newfoundland and Labrador needing life-changing medical care and financial aid for their child/children. During the year, the Foundation spent \$12,655 on activities related to this fund (2022 - \$6,982). The Special Projects and Capital Campaigns fund is internally restricted and is used for larger capital projects which are requested by various community organizations. The Foundation did not incur any expenses related to this fund (2022 - \$25,000). The Emergency Trust Mandate is setup to provide assistance to community organizations that need of support as a result of natural disasters or other devastating event that have taken place in the community. During the year, the Foundation did not incur any expenses related to this fund (2022 - \$10,000).

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### 10. Commitment of Future Donations

The Foundation has committed to providing funds to several organizations over the next three years. The organizations receiving these donations are Lionel Kelland Hospice and NL Foster Families. The funds will be payable as follows:

2024	25,500
2025	500
2026	500

There are two additional delayed funding commitments. The organizations receiving these donations are Quidi Vidi Rennie's River Development Foundation (\$12,500) and Friends of MUN Botanical Gardens (\$25,000). Both of these commitments are contingent on receiving reports and updates from the charities, as well as further approval from the board of directors.

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