

THE GORD DOWNIE & CHANIE WENJACK FUND

Financial Statements

March 31, 2024

THE GORD DOWNIE & CHANIE WENJACK FUND

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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Gord Downie & Chanie Wenjack Fund

Opinion

We have audited the financial statements of The Gord Downie & Chanie Wenjack Fund (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 the 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 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 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.

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.

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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 this financial information.

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.

Hogg, Shain & Scheck PC

Toronto, Ontario
June 19, 2024

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

THE GORD DOWNIE & CHANIE WENJACK FUND**Statement of Financial Position****As at March 31, 2024**

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 606,885	\$ 988,531
Accounts receivable	102,744	67,349
Harmonized Sales Tax recoverable	73,473	104,077
	<u>783,102</u>	<u>1,159,957</u>
CAPITAL ASSETS (Note 4)	20,073	27,150
INVESTMENTS (Note 5)	<u>13,907,365</u>	<u>11,888,947</u>
	<u>\$ 14,710,540</u>	<u>\$ 13,076,054</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 112,979	\$ 302,825
Current portion of deferred contributions (Note 7)	2,010,252	1,501,903
	<u>2,123,231</u>	<u>1,804,728</u>
DEFERRED CONTRIBUTIONS (Note 7)	<u>-</u>	<u>9,000</u>
	<u>2,123,231</u>	<u>1,813,728</u>
NET ASSETS		
UNRESTRICTED	7,339,367	6,014,384
INTERNALLY RESTRICTED (Note 6)	<u>5,247,942</u>	<u>5,247,942</u>
	<u>12,587,309</u>	<u>11,262,326</u>
	<u>\$ 14,710,540</u>	<u>\$ 13,076,054</u>

APPROVED ON BEHALF OF THE BOARD_____
*Director*_____
*Director**See the accompanying notes to these financial statements*

THE GORD DOWNIE & CHANIE WENJACK FUND

Statement of Changes in Net Assets

Year Ended March 31, 2024

	Unrestricted	Internally Restricted	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 6,014,384	\$ 5,247,942	\$ 11,262,326	\$ 11,150,479
Excess of revenues over expenses	1,324,983	-	1,324,983	111,847
NET ASSETS - END OF YEAR	\$ 7,339,367	\$ 5,247,942	\$ 12,587,309	\$ 11,262,326

See the accompanying notes to these financial statements

THE GORD DOWNIE & CHANIE WENJACK FUND**Statement of Operations
Year Ended March 31, 2024**

	2024	2023
REVENUES		
Contributions <i>(Note 8)</i>	\$ 2,958,722	\$ 2,965,283
Legacy Spaces contributions	604,314	573,738
Investment income <i>(Note 9)</i>	180,716	209,318
Merchandise and other	88,815	104,167
	<u>3,832,567</u>	<u>3,852,506</u>
EXPENSES		
Salaries and benefits	1,800,612	1,548,542
Oshki Wupoowane The Blanket Fund grants	742,000	-
Program materials	276,772	420,291
Office and general	209,779	231,444
Events and programming	169,035	195,135
Advertising	139,315	129,957
Professional fees	119,836	101,004
Travel	83,932	60,160
Information technology	50,588	54,830
Consulting - legacy spaces	28,304	252,746
Amortization of capital assets	14,327	13,404
Telephone	8,277	10,426
Subscriptions	7,227	5,777
Rent	2,077	1,289
	<u>3,652,081</u>	<u>3,025,005</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>180,486</u>	<u>827,501</u>
OTHER INCOME (EXPENSES)		
Unrealized gain (loss) on investments	1,144,497	(685,134)
Allowance for slow moving inventory items	-	(30,520)
	<u>1,144,497</u>	<u>(715,654)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 1,324,983</u>	<u>\$ 111,847</u>

See the accompanying notes to these financial statements

THE GORD DOWNIE & CHANIE WENJACK FUND**Statement of Cash Flows**
Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,324,983	\$ 111,847
Items not affecting cash:		
Amortization of capital assets	14,327	13,404
Unrealized loss (gain) on investments	(1,144,497)	685,134
	<u>194,813</u>	<u>810,385</u>
Changes in non-cash working capital:		
Accounts receivable	(35,395)	131,278
Harmonized Sales Tax recoverable	30,604	(36,427)
Inventory	-	30,520
Accounts payable and accrued liabilities	(189,846)	123,612
Current portion of deferred contributions	508,349	458,577
Deferred contributions	(9,000)	(6,000)
	<u>304,712</u>	<u>701,560</u>
Cash flows from operating activities	<u>499,525</u>	<u>1,511,945</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(7,250)	(14,395)
Change in investments, net	(873,921)	(2,204,252)
Cash flows used by investing activities	<u>(881,171)</u>	<u>(2,218,647)</u>
DECREASE IN CASH	(381,646)	(706,702)
CASH - BEGINNING OF YEAR	<u>988,531</u>	<u>1,695,233</u>
CASH - END OF YEAR	<u>\$ 606,885</u>	<u>\$ 988,531</u>

See the accompanying notes to these financial statements

THE GORD DOWNIE & CHANIE WENJACK FUND

Notes to Financial Statements

Year Ended March 31, 2024

1. NATURE AND PURPOSE OF THE ORGANIZATION

The Gord Downie and Chanie Wenjack Fund (the "Organization") is a not-for-profit organization federally incorporated on November 17, 2017, as a corporation without share capital under the Canada Not-for-Profit Corporations Act. On January 2, 2018, the Organization was registered as a charitable organization and, as such, is exempt from taxes under the Income Tax Act.

Through the collaboration of Gord Downie's legacy and the Wenjack family, the Organization's goal is to continue the conversation that began with Chanie Wenjack's residential school story to aid in collective reconciliation through awareness, education and action.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management and are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenues in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from merchandise are recognized when the goods are shipped to customers, all significant contractual obligations have been satisfied, and collectability is reasonably assured.

Revenues related to Legacy Spaces include multi-year contributions received from arms-length parties and are recognized over the term of the agreement.

Investment income includes interest, dividends, realized and unrealized gains and losses on investments. These amounts, except for unrealized gains and losses, are recognized as revenues when earned, per independent investment brokers reporting.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, unless management has elected to carry the instrument at fair market value.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable.

The financial assets subsequently measured at fair market value include investments.

Impairment of financial instruments

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The impairment loss is measured as the difference between the carrying value and what is expected to be recovered. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of any write down or reversal is recognized in excess of revenues over expenses.

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THE GORD DOWNIE & CHANIE WENJACK FUND

Notes to Financial Statements

Year Ended March 31, 2024

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

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Equipment	3 years	straight-line method
Furniture and fixtures	20%	declining balance method

The Organization regularly reviews its capital assets to eliminate obsolete items.

Foreign currency translation

Monetary assets and liabilities are translated at the prevailing rates of exchange at the date of the statement of financial position. Revenues are translated at the bank rate on the date the amount is received and expenses are translated at the bank rate on the date the amount is paid.

Impairment of long-lived assets

Long-lived assets, including capital assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value. Fair value is determined by the replacement value of the asset.

Contributed materials and services

Volunteers contribute time to assist the Organization in carrying out its programs. Since the Organization would not otherwise purchase these services, contributed services are not recognized in the financial statements. Contributed materials which are normally purchased by the Organization are not recorded in the accounts.

Use of estimates

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates include the allocation of salaries and benefits by project, useful life of capital assets and collectability of accounts receivable. These estimates are reviewed periodically and adjustments are made to revenues and expenses as appropriate in the year they become known.

THE GORD DOWNIE & CHANIE WENJACK FUND

Notes to Financial Statements

Year Ended March 31, 2024

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. It is management's opinion that the Organization is not exposed to significant interest rate, credit, or liquidity risks or any significant concentrations of risk arising from its financial instruments.

Currency risk is the risk to the Organization's revenues in excess of expenses that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on investments held in U.S. dollars. As at March 31, 2024 investments of \$980,752 (2023 - \$758,190) (expressed in U.S. dollars) were converted into Canadian dollars for financial statement purposes. These balances are subject to gains or losses due to fluctuations in that currency.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk with respect to its investments.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 38,819	\$ 28,544	\$ 10,275	\$ 14,902
Furniture and fixtures	33,223	23,425	9,798	12,248
	<u>\$ 72,042</u>	<u>\$ 51,969</u>	<u>\$ 20,073</u>	<u>\$ 27,150</u>

5. INVESTMENTS

	2024	2023
Canadian and U.S. equities	\$ 8,948,323	\$ 8,357,153
Cash and cash equivalents	1,890,180	1,067,910
Mutual funds	2,052,074	2,015,768
Guaranteed Investment Certificates	1,016,788	448,116
	<u>\$ 13,907,365</u>	<u>\$ 11,888,947</u>

Guaranteed Investment Certificates at March 31, 2024 earn interest between 2.15% and 5.52% and mature between May 6, 2024 and May 11, 2026.

6. INTERNALLY RESTRICTED NET ASSETS

The Reserve Fund is intended to be used at the Board of Directors' discretion for future programming. The balance is supported by investments.

In fiscal 2021 and 2022, the Board of Directors approved a transfer of \$1,802,735 and \$3,455,207 respectively from unrestricted net assets to internally restricted net assets to establish the Reserve Fund. There were no transfers in fiscal 2024 (\$nil - 2023).

THE GORD DOWNIE & CHANIE WENJACK FUND**Notes to Financial Statements****Year Ended March 31, 2024****7. DEFERRED CONTRIBUTIONS**

Deferred contributions at March 31 consist of the following:

	<u>2024</u>	<u>2023</u>
Contributions:		
Foundations	\$ 1,811,552	\$ 1,236,655
Donation - corporate	75,000	233,148
Legacy Spaces contributions - various donors	<u>123,700</u>	<u>41,100</u>
	<u>\$ 2,010,252</u>	<u>\$ 1,510,903</u>

Continuity of deferred contributions is as follows:

Balance - beginning of year	\$ 1,501,903	\$ 1,043,326
Add: amounts received during the year	4,071,385	4,006,597
Less: amounts recognized as revenues during the year	<u>(3,563,036)</u>	<u>(3,539,020)</u>
Balance - end of year	2,010,252	1,510,903
Less: long-term portion of deferred contributions	<u>-</u>	<u>(9,000)</u>
Current portion of deferred contributions	<u>\$ 2,010,252</u>	<u>\$ 1,501,903</u>

8. CONTRIBUTIONS

Contributions at March 31 consist of the following:

	<u>2024</u>	<u>2023</u>
Donations	\$ 1,521,014	\$ 1,927,935
Foundations	1,348,996	796,570
Funding for employment and training	78,712	104,889
Grants:		
Employment and Social Development Canada	10,000	10,005
City of Toronto	<u>-</u>	<u>125,884</u>
	<u>\$ 2,958,722</u>	<u>\$ 2,965,283</u>

9. INVESTMENT INCOME

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 358,827	\$ 271,768
Realized losses and other	(121,098)	(14,202)
Management fees	<u>(57,013)</u>	<u>(48,248)</u>
	<u>\$ 180,716</u>	<u>\$ 209,318</u>