



Financial Statements

The Dream Factory Foundation Inc.

December 31, 2024

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Independent Auditor's Report

To the Board of Directors of
[The Dream Factory Foundation Inc.](#)

Qualified opinion

We have audited the financial statements of The Dream Factory Foundation Inc., which comprise the statement of financial position as at December 31, 2024, 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 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 Dream Factory Foundation Inc. as at December 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 qualified opinion

As common with many not-for-profit organizations, the Organization derives revenue from fundraising activities and donations, 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donations revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in 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 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 qualified 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.

Independent Auditor's Report (continued)

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. 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 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.

Winnipeg, Canada
June 10, 2025

Doane Grant Thornton LLP

Chartered Professional Accountants

The Dream Factory Foundation Inc.

Statement of Operations

Year ended December 31	2024	2023
Revenues		
Fundraising (Note 12 and 13)	\$ 2,095,583	\$ 1,720,809
Donations (Note 8, 12 and 13)	617,532	476,033
Foundation grants (Note 14)	<u>264,628</u>	<u>258,762</u>
	<u>2,977,743</u>	<u>2,455,604</u>
Expenditures (Note 12)		
Cost of dreams granted (Schedule 1)	1,339,022	1,308,770
Fundraising (Schedule 2)	1,054,521	873,208
Administrative (Schedule 3)	<u>373,808</u>	<u>290,934</u>
	<u>2,767,351</u>	<u>2,472,912</u>
Excess (deficiency) of revenues over expenditures before other income (loss)	<u>210,392</u>	<u>(17,308)</u>
Other income (loss)		
Other income (Note 7)	2,405	-
Loss on sale of tangible capital assets	-	(4,866)
Realized loss on investments	(2,493)	(9,786)
Unrealized gain on investments	136,107	120,323
Investment management fees	(34,236)	(32,456)
Investment income	<u>173,200</u>	<u>140,705</u>
	<u>274,983</u>	<u>213,920</u>
Excess of revenues over expenditures	<u>\$ 485,375</u>	<u>\$ 196,612</u>

The Dream Factory Foundation Inc.

Statement of Changes in Net Assets

Year ended December 31

	Internally Restricted for Future Dreams	Unrestricted	Net Assets Invested in Tangible Capital Assets (Note 5)	Total 2024	Total 2023
Balance, beginning of year	\$ 490,000	\$ 2,941,105	\$ 17,550	\$ 3,448,655	\$ 3,252,043
Excess of revenues over expenditures	-	484,878	497	485,375	196,612
Tangible capital asset additions	-	(972,487)	972,487	-	-
Deferred capital contributions received (Note 8)	-	970,005	(970,005)	-	-
Interfund transfer for dreams	(490,000)	490,000	-	-	-
Internally restricted net assets for future dreams	<u>594,000</u>	<u>(594,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 594,000</u>	<u>\$ 3,319,501</u>	<u>\$ 20,529</u>	<u>\$ 3,934,030</u>	<u>\$ 3,448,655</u>

See accompanying notes and schedules to the financial statements.

The Dream Factory Foundation Inc.
Statement of Financial Position

December 31

2024

2023

Assets

Current

Cash (Note 3)	\$ 724,010	\$ 716,979
Investments (Note 4)	3,487,761	2,952,478
Accounts receivable	-	34
Prepaid expenses	126,821	97,538
Goods and Services Tax receivable	24,803	8,529

4,363,395 3,775,558

Tangible capital assets (Note 5) 965,481 17,550

\$ 5,328,876 \$ 3,793,108

Liabilities

Current

Accounts payable and accrued liabilities	\$ 55,463	\$ 54,703
Deferred contributions (Note 6)	252,514	249,750
Current portion of Canada Emergency Business Account Loan	-	40,000
Current portion of deferred tenant inducement (Note 7)	14,432	-
Current portion of deferred capital contributions (Note 8)	146,463	-

468,872 344,453

Deferred tenant inducement (Note 7) 127,485 -

Deferred capital contributions (Note 8) 798,489 -

1,394,846 344,453

Net Assets

Internally restricted for future dreams 594,000 490,000

Unrestricted net assets 3,319,501 2,941,105

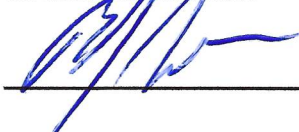
Net assets invested in capital assets 20,529 17,550

3,934,030 3,448,655

\$ 5,328,876 \$ 3,793,108

Commitment (Note 9)

On behalf of the Board



Director

Director

The Dream Factory Foundation Inc.

Statement of Cash Flows

Year ended December 31

2024

2023
(Note 16)

Increase (decrease) in cash

Operating

Excess of revenues over expenditures	\$ 485,375	\$ 196,612
Items not affecting cash		
Adjustment for amortization	24,556	10,225
Realized loss (gain) on investments	2,493	9,786
Amortization of deferred capital contribution	(25,053)	-
Amortization of deferred lease inducement	(2,405)	-
Loss on sale of tangible capital assets	-	4,866
Unrealized (gain) loss on investments	<u>(136,107)</u>	<u>(120,323)</u>
	348,859	101,166
Change in non-cash working capital items		
Accounts receivable	34	(34)
Prepaid expenses	(29,283)	(50,977)
Goods and Services Tax receivable	(16,274)	12,655
Accounts payable and accrued liabilities	760	19,542
Deferred contributions	<u>2,764</u>	<u>98,375</u>
	306,860	180,727

Financing

Canada Emergency Business Account Loan repayment	(40,000)	-
Deferred tenant inducement	144,322	-
Deferred capital contributions	<u>970,005</u>	<u>-</u>
	1,074,327	-

Investing

(Increase) decrease in investments, net	(401,669)	16,443
Purchase of tangible capital assets	(972,487)	(13,426)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>1,500</u>
	(1,374,156)	4,517

Increase in cash 7,031 185,244

Cash

Beginning of year	<u>716,979</u>	<u>531,735</u>
End of year	<u>\$ 724,010</u>	<u>\$ 716,979</u>

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

1. Nature of operations

The Organization's mandate is to fulfil the dreams of children suffering from chronic or life-threatening illnesses. The Organization is incorporated, without share capital, under the Corporations Act of Manitoba and is a registered charity under the Income Tax Act, and therefore, is not subject to income taxes.

2. Significant accounting policies

Adoption of new guidance

Effective January 1, 2024 the Organization adopted *Accounting Guideline AcG-20, Customer's accounting for cloud computing arrangements*, which provides guidance on the accounting for a Organization's expenditures on its cloud computing arrangements. As part of the adoption, the Organization elected to apply the simplification approach to account for its expenditures in its cloud computing arrangements, whereby the expenditures in all cloud computing agreements, excluding property, plant and equipment and rights to use tangible capital assets are treated as a supply of services and expensed as the Organization receives the services. In accordance with the transitional provisions, Organization has applied the new accounting guideline retrospectively.

As a result of applying the amendments, the Organization's financial statements were not impacted for the comparative period ended December 31, 2023.

Basis of presentation

The Organization has prepared these financial statements in accordance with the Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash

Cash includes cash on hand and balances with banks and other institutions and term deposits with maturities of three months or less.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- Cash
- Investments
- Accounts receivable
- Accounts payable and accrued liabilities
- Canada Emergency Business Account Loan

Financial instruments in arm's length transactions

Initial measurement

The Organization initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

2. Significant accounting policies (continued)

Financial instruments (continued)

Subsequent measurement

The Organization subsequently measures these financial assets and financial liabilities at amortized cost, except for investments for which there are quoted prices in an active market are carried at fair value. Investments for which there is not an active market are carried at amortized cost, except when it is established that their value is impaired. Changes in financial instruments measured at fair value are recognized in net income.

Financing fees and transaction costs

At initial recognition, the value of financial assets and financial liabilities in arm's length transactions that are subsequently measured at cost or amortized cost are adjusted for financing fees and transaction costs that are directly attributable to their origination, acquisition, issuance or assumption. The fees and costs are subsequently amortized into net income on a straight-line basis over the term of the related debt. All other transaction costs are recognized in net income in the period incurred.

Derecognition

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided at rates intended to allocate the cost of capital assets over their estimated useful lives as follows:

Office furniture	20%	declining balance
Computer equipment	50%	declining balance

Leasehold improvements are amortized on a straight-line basis over the term of the lease, plus the first renewal option.

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may exceed the fair value. When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets are accounted for as expenses in the statement of operations

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

2. Significant accounting policies (continued)

Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Organization are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing.

The occupancy costs are recognized on a straight-line basis over the term of the related lease agreement. The Organization also received certain lease inducements upon entering the lease. These lease inducements are recognized as other income over the term of the lease.

Employee future benefits

The Organization offers a defined contribution pension plan to employees. An expense is recorded in the period when the Organization is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in payables and accruals on the balance sheet.

Revenue recognition

Donations, fundraising and grants

The Organization follows the deferral method of accounting for revenues. Unrestricted revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenues for expenses of one or more future periods should be deferred and recognized as revenue in the same period or periods as the related expenses are recognized. Restricted contributions for the purchase of tangible capital assets that will be amortized should be deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Investment income

Interest revenue is recognized on a time proportion basis. Dividend revenue is recognized when the right to receive a dividend has been established. Other types of revenue are recorded in the period in which they are earned, and measurement and collectability is reasonable assured. All changes in fair value are recognized in the statement of operations.

Donated services and supplies in kind

The Dream Factory Foundation Inc. records the estimated fair market value of donated services and supplies in kind in the financial statements when reliable estimates of fair value can be made and when the supplies and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

2. Significant accounting policies (continued)

Cloud computing costs

The Organization has entered into a cloud computing arrangement for the on-demand delivery of computing services over the internet. When there are multiple elements within a single cloud computing arrangement, the Organization allocates the consideration to each separable element based on the relative stand-alone selling prices.

The Organization has elected to apply the simplification approach to account for its expenditures in its cloud computing arrangements, whereby the expenditures in all cloud computing agreements, excluding property, plant and equipment and rights to use a tangible capital asset, are treated as a supply of services and expensed as the Organization receives the services. Amounts paid in advance of receiving the services are recognized as a prepaid asset.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Some items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically, and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include the estimated fair value of donated services and supplies in kind and the useful life and related amortization of tangible capital assets.

Allocation of expenses

The Dream Factory Foundation Inc. allocates general and administrative expenses evenly between cost of dreams granted, fundraising and administration expenses, except for rent and wage and benefit expenses. Rent and wage and benefit expenses are allocated based on estimated staff time spent for each class of expenses. Any expenses that are directly related to a certain class, are recorded directly to that class. Classes of expenses are cost of dreams, fundraising, charitable programs and administration.

Net assets

The Board of Directors' policy is to internally restrict net assets for approved dreams that have not yet been completed. Accordingly, the Board has internally restricted funds for dreams not yet completed at a budgeted cost of \$594,000 (2023 - \$490,000).

The unrestricted operating fund reflects resources available for general operational activity. Net assets invested in capital assets fund is used to account for the acquisition, amortization, disposal and financing of tangible capital assets.

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

3. Cash

Cash includes \$32,665 (2023 - Nil) of restricted funds governed by the regulations of the Liquor, Gaming and Cannabis Authority of Manitoba (LGCA).

4. Investments

The investments consist of marketable securities, which are quoted in an active market and accounted for at fair market value. The Scotiabank GIC's are accounted for at amortized cost.

	<u>2024</u>	<u>2023</u> (Note 16)
Scotiabank GIC	\$ 322,690	\$ 105,064
Fixed income	1,839,850	1,734,485
Equities	<u>1,325,221</u>	<u>1,112,929</u>
	<u>\$ 3,487,761</u>	<u>\$ 2,952,478</u>

5. Tangible capital assets

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Office furniture	\$ 453,010	\$ 14,827	\$ 10,002	\$ 9,401
Leasehold improvements	509,807	8,022	9,962	-
Computer equipment	<u>73,982</u>	<u>48,469</u>	<u>57,086</u>	<u>50,099</u>
	<u>1,036,799</u>	<u>71,318</u>	<u>77,050</u>	<u>59,500</u>
Net book value	<u>\$ 965,481</u>		<u>\$ 17,550</u>	

(a) Invested in tangible capital assets is calculated as follows:

	<u>2024</u>	<u>2023</u>
Capital assets	\$ 965,481	\$ 17,550
Amounts financed by deferred capital contributions	<u>(944,952)</u>	<u>-</u>
	<u>\$ 20,529</u>	<u>\$ 17,550</u>

(b) Excess (deficiency) of revenue over expenses in tangible capital assets is calculated as follows:

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

5. Tangible capital assets (continued)

	<u>2024</u>	<u>2023</u>
Amortization of tangible capital assets	\$ (24,556)	\$ (10,225)
Amortization of deferred capital contributions	<u>25,053</u>	<u>-</u>
	<u>497</u>	<u>(10,225)</u>

6. Deferred contributions

Deferred contributions includes sponsorships received for the subsequent year's fundraising events, restricted grants, and other revenues received for which the related restriction remains unfulfilled.

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 249,750	\$ 151,375
Recognized as revenue	(239,788)	(151,375)
Sponsorships received	42,514	49,750
Grants received	210,000	190,038
Capital project contributions	<u>(9,962)</u>	<u>9,962</u>
	<u>\$ 252,514</u>	<u>\$ 249,750</u>

7. Deferred tenant inducement

During the year, the Organization received \$144,322 from the leased premise landlord in the form of a cash contribution towards leasehold improvements. The amount is recorded as a deferred liability and is amortized on a straight-line basis over the 10 year term of the lease and recognized as other income.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ -	\$ -
Amounts received	144,322	-
Amortized to other income	(2,405)	-
Current portion of deferred tenant inducement	<u>(14,432)</u>	<u>-</u>
Balance, end of year	<u>\$ 127,485</u>	<u>\$ -</u>

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

8. Deferred capital contributions

The Organization received \$970,005 of restricted capital contributions towards the acquisitions of new leasehold improvements, furniture and equipment related to the new office location. The amount will be recognized as donation revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ -	\$ -
Amount received	970,005	-
Amortized to donations	<u>(25,053)</u>	<u>-</u>
	944,952	-
Current portion	<u>(146,463)</u>	<u>-</u>
Balance, end of year	<u>\$ 798,489</u>	<u>\$ -</u>

9. Commitments

The Organization is committed to payments, under operating leases for office space through 2034. Annual payments are as follows:

2025	\$ 61,852
2026	63,227
2027	64,602
2028	65,976
2029	67,350
Subsequent years	<u>316,822</u>
	<u>\$ 639,829</u>

In addition, the Organization has a commitment to disburse up to an estimated \$98,500 of additional family funds for dreams that are pending and approved.

10. Cloud computing costs

During the year, the Organization entered into a cloud computing arrangement. During the year, it expensed \$17,477 (2023 - \$21,330) in connection with the arrangement, which is included in the administrative expenses in the statements of operations.

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

11. Allocation of expenses

Expenses have been allocated as follows:

	<u>Expenses before allocations</u>	<u>Wage and benefits</u>	<u>Rent and other expenses</u>	<u>Total</u>
Fundraising	\$ 831,756	\$ 201,886	\$ 20,879	\$ 1,054,521
Cost of dreams granted	1,061,088	252,116	25,818	1,339,022
Administrative	<u>880,265</u>	<u>(454,002)</u>	<u>(46,697)</u>	<u>379,566</u>
	<u>\$ 2,773,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,773,109</u>

12. Related party transactions

The Organization will carry out transactions with certain Board of Director members throughout the year. These members may have significant influence over the Organization depending on their role. These transactions are in the normal course of operations and are measured at the exchange amount.

During the year, the Organization received fundraising and donation revenues from these members in aggregate of \$142,469 (2023: \$154,506). In addition, there was \$424,249 of tangible capital asset additions provided by a company owned by a board member, as well as other expenditures purchased of \$4,178 (2023: \$25,766) from certain other members.

13. Donated services and supplies in kind

The Organization receives substantial donated services and supplies which have been recorded in the financial statements and included in revenue and expenses as follows:

	<u>2024</u>	<u>2023</u>
Revenue		
Donations	\$ 282,383	\$ 223,310
Fundraising	<u>284,866</u>	<u>289,276</u>
	<u>\$ 567,249</u>	<u>\$ 512,586</u>
	<u>2024</u>	<u>2023</u>
Expenses		
Cost of dreams granted	\$ 272,383	\$ 212,878
Fundraising	284,866	289,276
Administration	<u>10,000</u>	<u>10,432</u>
	<u>\$ 567,249</u>	<u>\$ 512,586</u>

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

14. Grants	<u>2024</u>	<u>2023</u>
The Goodman Foundation	\$ 150,000	\$ 90,000
Pollard Foundation	-	49,888
The Winnipeg Foundation	5,000	66,858
Other	<u>109,628</u>	<u>52,016</u>
	<u>\$ 264,628</u>	<u>\$ 258,762</u>

15. Financial instruments

The Organization's main financial instrument risk exposure is detailed as follows. There have been no significant changes to risk exposure from prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Organization is subject to credit risk through receivables and cash held with banks. Risk is minimized by investing surplus funds in financial institutions that maintain a high credit rating. The maximum exposure to credit risk by class of recognized financial assets at the reporting date is equivalent to the carrying value and classification of those financial assets, as presented in the statement of financial position. The Organization has no significant concentration of credit risk.

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to its accounts payable and accrued liabilities. The Organization manages liquidity risk by employing professional management.

Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk and other price risk.

- (i) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk with respect to its high interest savings account with the bank.
- (ii) 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 through its investments quoted in an active market, which are affected by general economic and market conditions.

The Dream Factory Foundation Inc.

Notes to the Financial Statements

December 31, 2024

16. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

The Dream Factory Foundation Inc. Schedule of Cost of Dreams Granted

Year ended December 31	2024	2023
Advertising and Promotion	\$ 8,356	\$ 2,489
Airfare and Travel	184,678	212,101
Bears and Blankets	5,450	-
Beyond Dreams	17,861	30,516
Celebrations and Events (Note 13)	54,778	19,642
Dream Items	219,769	287,089
Give Kids the World (Note 13)	251,495	197,780
Hotel	28,150	29,930
Insurance	5,008	5,609
Office and Miscellaneous	41,474	45,396
Rent	19,887	14,725
Spending Money and family funds	248,200	252,070
Telephone	1,800	1,020
Wages and Benefits	252,116	210,403
	<u>\$ 1,339,022</u>	<u>\$ 1,308,770</u>

The Dream Factory Foundation Inc.
Schedule of Fundraising Expenses

Year ended December 31	2024	2023
Advertising and Promotion	\$ 7,028	\$ 4,204
Beyond Dreams	-	1,807
Event Costs (Note 13)	767,621	617,738
Office and Miscellaneous	48,319	30,569
Professional Fees	7,688	35,954
Rent	16,289	11,334
Travel	5,690	6,271
Wages and Benefits	<u>201,886</u>	<u>165,331</u>
	<u>\$ 1,054,521</u>	<u>\$ 873,208</u>

The Dream Factory Foundation Inc.
Schedule of Administrative Expenses

Year ended December 31	2024	2023
Advertising and Promotion	\$ 30,440	\$ 2,139
Amortization	24,556	10,225
Bank Charges and Interest	40,418	36,001
Insurance	7,964	5,498
Office and Miscellaneous	55,533	44,660
Professional Fees (Note 13)	73,251	87,822
Rent	10,893	6,248
Repairs and Maintenance	7,463	49
Telephone	4,204	3,182
Wages and Benefits	<u>119,086</u>	<u>95,110</u>
	<u>\$ 373,808</u>	<u>\$ 290,934</u>
