

Community Foundations of Canada
Financial Statements
For the year ended December 31, 2024

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Fund Balances	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 15



Tél./Tel: 613-237-9331
Télec./Fax: 613-237-9779
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
180 Kent Street
Suite 1700
Ottawa ON K1P 0B6 Canada

Independent Auditor's Report

**To the members of
Community Foundations of Canada**

Opinion

We have audited the accompanying financial statements of Community Foundations of Canada, which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Foundations of Canada 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 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 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.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
April 28, 2025

Community Foundations of Canada Statement of Financial Position

December 31	2024	2023
Assets		
Current		
Cash	\$ 5,658,042	\$ 15,050,983
Investments (Note 3)	7,693,120	4,940,950
Accounts receivable	870,063	430,170
Prepaid expenses	169,621	97,021
	14,390,846	20,519,124
Investment in Raven Indigenous Impact Fund I LP (Note 2)	307,582	297,942
Investments (Note 3)	12,627,543	12,627,543
Tangible capital assets (Note 4)	334,944	835,253
Restricted cash (Note 3)	97,049	97,049
	\$ 27,757,964	\$ 34,376,911
Liabilities and Fund Balances		
Current		
Accounts payable and accrued liabilities	\$ 597,068	\$ 717,217
Queen Elizabeth II Diamond Jubilee Scholarships Program deferred contributions (Note 7)	3,169,451	1,559,658
Flourishing Leadership Trust deferred contributions (Note 7)	-	56,168
Other deferred contributions (Note 7)	7,204,585	17,422,745
Current portion of long-term debt (Note 8)	10,000	10,000
	10,981,104	19,765,788
Long-term debt (Note 8)	20,000	30,000
Leasehold inducement	104,112	205,509
	11,105,216	20,001,297
Contractual obligations (Note 9)		
Fund Balances		
Restricted for endowment purposes	12,724,592	12,724,592
Internally restricted	169,372	136,420
Unrestricted - operations	3,758,784	1,514,602
	16,652,748	14,375,614
	\$ 27,757,964	\$ 34,376,911

On behalf of the Board:


Director


Director

Community Foundations of Canada Statement of Changes in Fund Balances

For the year ended December 31	Unrestricted - operations	Value initiatives	Internally restricted	Restricted for endowment purposes	2024	2023
Balance, beginning of the year	\$ 1,514,602	\$ -	\$ 136,420	\$ 12,724,592	\$ 14,375,614	\$ 13,568,087
Excess (deficiency) of revenues over expenses	(340,378)	2,617,512	-	-	2,277,134	807,527
Interfund transfers (Note 10)	2,584,560	(2,617,512)	32,952	-	-	-
Balance, end of the year	\$ 3,758,784	\$ -	\$ 169,372	\$ 12,724,592	\$ 16,652,748	\$ 14,375,614

The notes are an integral part of these financial statements.

Community Foundations of Canada Statement of Operations

For the year ended December 31	Operations		Value Initiatives		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Donations, grants and sponsorships	\$ 1,465,531	\$ 5,185,972	\$ 50,377,893	\$ 119,783,833	\$ 51,843,424	\$ 124,969,805
Membership support	1,452,396	1,479,868	-	-	1,452,396	1,479,868
Interest and other revenue	811,315	226,470	2,371,942	965,280	3,183,257	1,191,750
Registration and fees	175,024	534,935	-	-	175,024	534,935
Sublease revenue	314,952	308,119	-	-	314,952	308,119
Foreign exchange gain (loss)	(9,495)	123,377	-	-	(9,495)	123,377
	4,209,723	7,858,741	52,749,835	120,749,113	56,959,558	128,607,854
Expenses						
Amortization of tangible capital assets	399,947	128,632	-	-	399,947	128,632
Bad debt	119,828	41,494	-	-	119,828	41,494
Board meetings	117,766	131,529	52,328	7,677	170,094	139,206
Communications	13,105	19,696	3,924	9,443	17,029	29,139
Consultants and professional fees	448,825	787,614	76,092	82,252	524,917	869,866
Office and administration	354,687	311,037	115,540	160,784	470,227	471,821
Professional development	43,704	92,998	25,972	59,242	69,676	152,240
Program costs	1,714,201	4,550,911	45,835,600	116,202,910	47,549,801	120,753,821
Salaries and benefits	1,011,322	1,158,094	4,022,867	3,764,472	5,034,189	4,922,566
Sponsorship development	20,000	25,000	-	-	20,000	25,000
Travel	306,716	266,542	-	-	306,716	266,542
	4,550,101	7,513,547	50,132,323	120,286,780	54,682,424	127,800,327
Excess (deficiency) of revenues over expenses	\$ (340,378)	\$ 345,194	\$ 2,617,512	\$ 462,333	\$ 2,277,134	\$ 807,527

The notes are an integral part of these financial statements.

Community Foundations of Canada Statement of Cash Flows

For the year ended December 31	2024	2023
Cash flows from operating activities		
Excess of revenues over expenses	\$ 2,277,134	\$ 807,527
Items not affecting cash:		
Amortization of tangible capital assets	399,947	128,632
Amortization of leasehold inducement	(101,397)	(27,516)
	2,575,684	908,643
Changes in non-cash working capital:		
Accounts receivable	(439,893)	(39,675)
Prepaid expenses	(72,600)	(24,441)
Accounts payable and accrued liabilities	(120,149)	(491,010)
Loss on disposal of tangible capital assets	100,362	-
	2,043,404	353,517
Cash flows from investing activities		
Change in investments	(2,761,810)	(678,488)
Acquisition of tangible capital assets	-	(4,571)
	(2,761,810)	(683,059)
Cash flows from financing activities		
Repayment of long-term debt	(10,000)	(10,000)
Change in deferred contributions	(8,664,535)	(111,539,117)
	(8,674,535)	(111,549,117)
Net decrease in cash	(9,392,941)	(111,878,659)
Cash, beginning of the year	15,148,032	127,026,691
Cash, end of the year	\$ 5,755,091	\$ 15,148,032
Represented by:		
Cash	\$ 5,658,042	\$ 15,050,983
Restricted cash	97,049	97,049
	\$ 5,755,091	\$ 15,148,032

The notes are an integral part of these financial statements.

Community Foundations of Canada

Notes to Financial Statements

December 31, 2024

1. Accounting Policies

Purpose of Organization	Community Foundations of Canada is a not-for-profit organization incorporated without share capital under the Canada Not-for-profit Corporations Act. Community Foundations of Canada is the national leadership organization for Canada's 205 local community foundations. Together with 205 community foundations across the country, we help drive local solutions for national change on the issues that matter most to Canadians. We're building a movement that connects community foundations, Canadians, and partners to create a just, sustainable future. The organization is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.
Basis of Accounting	The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
Use of Estimates	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimates relate to fair value of investments and useful lives of tangible capital assets.
Fund Accounting	<p>The Operations Fund includes the revenues and expenses of the core operations.</p> <p>The Value Initiatives Fund includes the revenues and expenses of separately funded programs.</p> <p>The Endowment Fund reports resources contributed for the Betsy Martin endowment, Queen Elizabeth II Diamond Jubilee Scholarships Program endowment and other endowments. Investment income earned on resources of the Queen Elizabeth II Diamond Jubilee Scholarships Program endowment is reported in the Value Initiatives Fund as it is restricted for bursaries based on the endowment agreement. Investment income earned on resources of the Betsy Martin endowment and other endowments is reported in the Operations Fund.</p> <p>The Internally Restricted Fund includes investment income (losses) restricted by the Board of Directors motion.</p>

Community Foundations of Canada

Notes to Financial Statements

December 31, 2024

1. Accounting Policies (Continued)

Revenue Recognition

The organization follows the deferral method of accounting for contributions including donations and sponsorships. 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.

Endowment contributions are recognized as direct increases in the Endowment Fund.

Registration and fees are recognized as revenue when the seminars, conferences and summits are held.

Membership dues are recognized as revenue proportionately over the year to which they relate.

Sublease revenue is recognized as revenue over the sublease term.

Financial Instruments

Arm's length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Community Foundations of Canada Notes to Financial Statements

December 31, 2024

1. Accounting Policies (Continued)

Investment in I LP	The organization is able to exercise significant influence over the Raven Indigenous Impact Fund I LP and has elected to account for its investment using the equity method. The investment is initially recorded at cost and is adjusted thereafter to include the organization's pro rata share of the income (loss) of the investee.						
Tangible Capital Assets	<p>Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the following methods and annual rates:</p> <table><tr><td>Computer equipment</td><td>33% diminishing balance basis</td></tr><tr><td>Furniture</td><td>20% diminishing balance basis</td></tr><tr><td>Leasehold improvements</td><td>Straight-line over the term of the lease</td></tr></table>	Computer equipment	33% diminishing balance basis	Furniture	20% diminishing balance basis	Leasehold improvements	Straight-line over the term of the lease
Computer equipment	33% diminishing balance basis						
Furniture	20% diminishing balance basis						
Leasehold improvements	Straight-line over the term of the lease						
Impairment of Tangible Capital Assets	When a tangible capital asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.						
Contributed Materials and Services	Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.						
Conference and Summit Expenses	Conference and summit expenses are recognized as expenses in the year the services or goods are received by the organization. As such, timing of revenues and expenses might not be in the same year.						

Community Foundations of Canada Notes to Financial Statements

December 31, 2024

2. Investment in Raven Indigenous Impact Fund I LP

The organization has an investment in Raven Indigenous Impact Fund I LP and elected to account for the investment using the equity method. During the year, the organization made an additional capital contribution of \$1,796 and paid investment fees of \$7,120. In 2023, the organization made an additional capital contribution of \$24,209 and paid investment fees of \$13,995.

	2024	2023
Raven Indigenous Impact Fund I LP - 1.3% ownership (2023 - 1.2%), 325,000 LP units	\$ 307,582	\$ 297,942

3. Investments

	2024	2023
Cash, short-term deposits and money market fund	\$ 1,224,581	\$ 1,499,943
Canadian fixed income	736,287	696,931
Canadian equity	13,286,526	10,223,461
US equity	5,073,269	5,148,158
	20,320,663	17,568,493
Less restricted investments:		
Queen Elizabeth II Diamond Jubilee Scholarships Program Endowment	12,000,000	12,000,000
Other Endowments	627,543	627,543
	12,627,543	12,627,543
	\$ 7,693,120	\$ 4,940,950

In addition, \$97,049 (2023 - \$97,049) of cash is restricted for the Betsy Martin Endowment fund.

Community Foundations of Canada Notes to Financial Statements

December 31, 2024

4. Tangible Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ -	\$ -	\$ 239,315	\$ 176,045
Furniture	-	-	271,818	204,235
Leasehold improvements	<u>1,329,166</u>	<u>994,222</u>	<u>1,329,166</u>	<u>624,766</u>
	<u>\$ 1,329,166</u>	<u>\$ 994,222</u>	<u>\$ 1,840,299</u>	<u>\$ 1,005,046</u>
Net value		<u>\$ 334,944</u>		<u>\$ 835,253</u>

5. Due from / Due to Related Parties and Related Party Transactions

The organization exercises significant influence over Friends of Community Foundations of Canada (FoCFC) due to the sharing of key management personnel. FoCFC was established to provide American donors with the opportunity to donate to members of Community Foundations of Canada through FoCFC. FoCFC is a designated 501c3 organization based in Arizona. During the year, CFC received grants of \$571,000 USD (2023 - \$564,000 USD) that the organization distributed to its members.

6. Line of Credit

The organization has an authorized operating line of credit of \$250,000 that is due on demand and bears interest at the bank's prime rate plus 2%, calculated and payable monthly. It is secured by a general security agreement covering all assets. At December 31, 2024, the organization had undrawn credit capacity under this facility of \$250,000 (2023 - \$250,000).

Community Foundations of Canada Notes to Financial Statements

December 31, 2024

7. Deferred Contributions

Deferred contributions represent funds received in the current year to cover operating expenses in the subsequent year. The variations in the balance of deferred contributions is as follows:

a) Queen Elizabeth II Diamond Jubilee Scholarships Program deferred contributions:

	2024	2023
Balance, beginning of the year	\$ 1,559,658	\$ 1,743,581
Plus: realized and unrealized investment income	2,712,813	1,210,957
Less: amounts recognized as revenue in the year	(1,103,020)	(1,394,880)
Balance, end of the year	\$ 3,169,451	\$ 1,559,658

b) Flourishing Leadership Trust deferred contributions:

	2024	2023
Balance, beginning of year	\$ 56,168	\$ 636,426
Plus: realized and unrealized investment income	-	5,567
Less: amounts recognized as revenue in the year	(56,168)	(585,825)
Balance, end of year	\$ -	\$ 56,168

c) Other deferred contributions:

	2024	2023
Balance, beginning of the year	\$ 17,422,745	\$ 128,197,682
Plus: amounts received during the year	45,437,311	12,214,163
Less: amounts recognized as revenue in the year	(55,655,471)	(122,989,100)
Balance, end of the year	\$ 7,204,585	\$ 17,422,745

Community Foundations of Canada Notes to Financial Statements

December 31, 2024

8. Long-term Debt

	<u>2024</u>	<u>2023</u>
Loan, 3.5%, due May 1, 2027, payable by annual principal instalments of \$10,000 plus interest.	\$ 30,000	\$ 40,000
Less: principal portion due within one year	<u>10,000</u>	<u>10,000</u>
	<u>\$ 20,000</u>	<u>\$ 30,000</u>

The principal payments for the next three years amount to: 2025, \$10,000; 2026, \$10,000; and 2027, \$10,000.

9. Contractual Obligations

The organization leases its premises under a lease expiring in March 2027. Future minimum payments for the lease and leasehold improvements total \$948,182 and include the following payments over the next three years:

2025	\$ 421,414
2026	\$ 421,414
2027	\$ 105,354

10. Interfund Transfers

The Board of Directors has approved the transfer of the investment income from the Global Framework endowment and other endowments of \$32,952 (2023 - \$29,843) to the Internally Restricted Fund. These restricted amounts are not available for any other purpose without approval of the Board of Directors.

The excess of revenues over expenses of \$2,617,512 (2023 - \$462,333) in the Value Initiatives Fund was transferred to the Operations Fund.

Community Foundations of Canada Notes to Financial Statements

December 31, 2024

11. Financial Instruments

Credit risk

The organization is exposed to credit risk with respect to accounts receivable. On a continuous basis, the organization assesses its accounts receivable and will set up an appropriate allowance for doubtful accounts when needed.

The organization is also exposed to credit risk arising from all of its bank accounts being held at one financial institution.

Interest rate risk

The organization is exposed to interest rate risk on its fixed rate financial instruments. Fixed interest instruments subject the organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Variable rate instruments subject the organization to a related cash flow risk.

Other price risk

The organization is exposed to other price risk through its investments in listed shares for which the value fluctuates with the quoted market price.

Change in risk exposures

There have been no changes to the risk exposures in the year given the market interest rates have not increased. This has resulted in little fluctuations in the quoted market prices of investments in equities and fixed income securities held by the organization.
