



Fact Sheet: Annual Report Guidelines to Reflect Transparency

February 22, 2021

Community foundations work with donors to provide various and diverse resources, in response to community needs. Producing an annual report provides foundations with the opportunity to celebrate their success in meeting these needs, while also providing reassurance to the community as to the financial and organizational capacity to accomplish its vision and mission.

Annual reports document what the foundation has accomplished in the past year, while also providing a great opportunity to include a vision of what lies ahead. Most annual reports feature photos, donor and grant stories, as well as financial reports and acknowledgement of contributors, volunteers, and staff.

In addition to the foundation's website, the annual report is one of the most important communication tools that is prepared and shared with donors – both current and potential. It is a terrific document to demonstrate all aspects of the work of the foundation while being accountable and transparent, especially relating to finance and governance.

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A transparent annual report should include:

- Vision, mission, values



- Report from Board Chair and Executive Director/CEO highlighting achievements, and challenges, from last year and their vision for the upcoming year
- For discretionary grants, include a list and brief description of last year's grant recipients including grant size along with some basic information on the foundation's granting criteria and where to get more detailed information
- For donor directed grants, a list of the grant recipients, including grant size
- A list of funds, a selection of donor stories and some basic information on the types of funds available and where to get more detailed information (note: many foundations do not publish the value of their funds due to their privacy policies)
- A list of current staff, board members and volunteers
- A list of donors and sponsors; the foundation's charitable registration number as well as a link to or information on how to access public information from foundation's annual Registered Charity Information return (T-3010) on the Canada Revenue Agency website
- Summary of financial highlights with previous year comparisons as well as a link to or information on how to access previous year's financial statements
- Summary of investment policy, fees, asset allocation, annualized returns and % distributed
- Summary of governance practices, including risk management processes, accreditation (if applicable), evaluation processes and board recruitment, orientation, and training practices

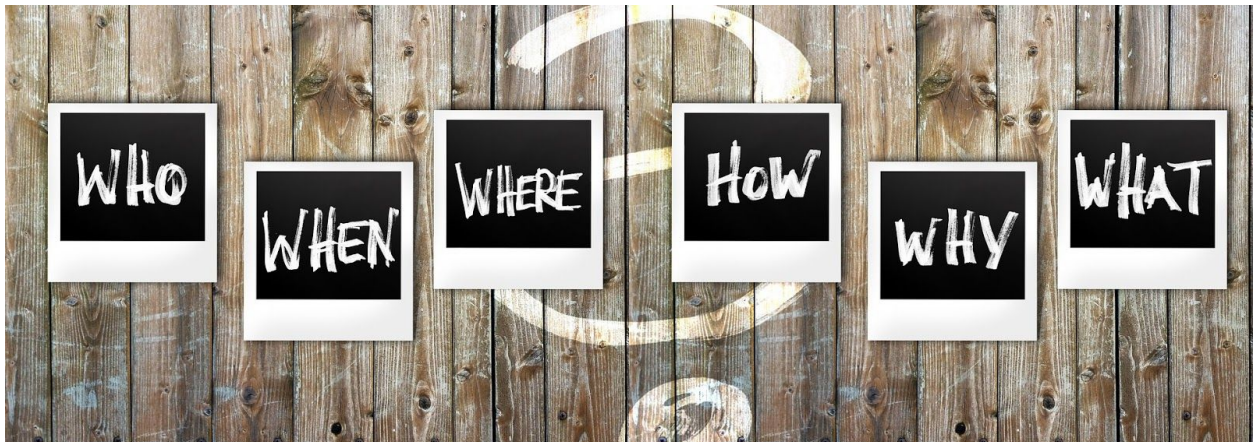
Considerations when producing the annual report

Foundations should consider the following questions, prior to writing and designing their annual report. The answers to these questions will impact the size, number of pages and format as well as the costs to produce and distribute the report.

- Who is the audience we want to receive and read the annual report?
- In what format(s) will the annual report be produced? (print, pdf on website, available on smartphones)



- How will we distribute the report to the intended audience?
- How will we promote the publication of the annual report?
- Which and how many grants should we highlight with stories, especially given the geographic scope and type of grants awarded?
- Which and how many donors should we highlight with stories, again considering geographic scope, type of fund and, where possible, amount donated?
- What are the other significant events that took place that we want to highlight?



Examples of transparent annual reports

The following are links to reports produced by Canadian community foundations – both large and small – that we hope will inspire others.

Community Foundation of South Okanagan

<https://www.cfso.net/download/2018-annual-report/>

Winnipeg Foundation

https://www.wpgfdn.org/wp-content/uploads/2020/02/WpgFdn_2019_Annual_Report_summary.pdf



South Saskatchewan Community Foundation

<https://sscf.ca/wp-content/uploads/2020/07/SSCF-2019-Annual-Report-29.07.20.pdf>

Niagara Community Foundation

<https://niagaracommunityfoundation.org/about-us/publications>

Fredericton Community Foundation

<https://www.fredfdn.ca/publications>

Foundation of Greater Montreal

<https://fgmtl.org/en/pdf/AR2019.pdf>

Some foundations produce a summary of or highlights from their annual reports for print distribution, while putting the full version on their website. What is key is that the principles of transparency and accountability are reflected in these summaries and include a link to the full annual report and audited financial statements.