THE GUELPH COMMUNITY FOUNDATION

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

DECEMBER 31, 2024
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Graham Mathew

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INDEPENDENT AUDITORS' REPORT

To the Members of
The Guelph Community Foundation

Opinion

We have audited the accompanying financial statements of **The Guelph Community Foundation** (the Foundation, which comprise the statement of financial position as at December 31, 2024, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2024, and its financial performance 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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.

Other Matters

The financial statements of **The Guelph Community Foundation** for the year ended December 31, 2023 were audited by another auditor who expressed an unqualified opinion on these financial statements on May 8, 2024.

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.

Graham Mathew Professional Corporation

Cambridge, Ontario
May 22, 2025

Chartered Professional Accountants, authorized to practise public accounting by the Chartered Professional Accountants of Ontario

STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024

	Operating Fund $	Endowed Fund $	Non-Endowed Fund $	2024 $	2023 $
Revenues					
Donations	18,322	711,452	958,339	1,688,113	2,367,098
Grants	5,013			5,013	516,739
Interest and dividends	12,164	430,357	4,742	447,263	393,816
Realized gain (loss) on sale of investments	(1,343)	423,149	5,049	426,855	365,349
Other income	375			375	70,915
	34,531	1,564,958	968,130	2,567,619	3,713,917
Grants paid out		359,688	829,389	1,189,077	2,483,039
	34,531	1,205,270	138,741	1,378,542	1,230,878
Expenditures					
Salaries	368,198			368,198	333,448
Professional and investment management fees	51,212	61,391	781	113,384	93,748
Office	50,109			50,109	48,894
Printing and marketing	20,872			20,872	45,086
Rent	32,387			32,387	33,507
Fundraising					30,581
Community projects	5,000			5,000	8,391
Dues and fees	5,399			5,399	5,655
Repairs and maintenance	3,759			3,759	3,581
Insurance	2,868			2,868	2,873
Bank charges	1,643			1,643	1,626
Administration (recovery) fee	(346,007)	306,276	35,059	(4,672)	(78,269)
	195,440	367,667	35,840	598,947	529,121
Excess (deficiency) of revenues over expenditures before the following	(160,909)	837,603	102,901	779,595	701,757
Other					
Unrealized appreciation of investments	14,150	1,607,681	18,602	1,640,433	751,687
Excess (deficiency) of revenues over expenditures	(146,759)	2,445,284	121,503	2,420,028	1,453,444

The explanatory financial notes form an integral part of these financial statements.

STATEMENT OF NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Operating Fund	Endowed Fund	Non-Endowed Fund	2024 Total	2023 Total
Fund balances, beginning of year	**175,322**	**14,415,634**	**450,763**	**15,041,719**	13,588,275
Excess (deficiency) of revenues over expenditures	**(146,759)**	**2,445,284**	**121,503**	**2,420,028**	1,453,444
Interfund transfers (note 7)	**7,505**	**13,694**	**(21,199)**		
Fund balances, end of year	**36,068**	**16,874,612**	**551,067**	**17,461,747**	15,041,719

The explanatory financial notes form an integral part of these financial statements.

FINANCIAL POSITION
DECEMBER 31, 2024

	Operating Fund $	Endowed Fund $	Non-Endowed Fund $	2024 $	2023 $
ASSETS					
Cash	26,411	986	144,767	172,164	215,834
HST recoverable	8,192			8,192	7,948
Interest receivable		4,700		4,700	
Prepaid expenses	2,158			2,158	487
Interfund loans (note 4)	42,232	(87,336)	45,104		
Current assets	78,993	(81,650)	189,871	187,214	224,269
Investments (note 5)	56,990	16,959,325	416,855	17,433,170	14,904,788
Funds held for others		197,192		197,192	171,487
	135,983	17,074,867	606,726	17,817,576	15,300,544
LIABILITIES					
Accounts payable and accrued liabilities (note 6)	99,915	3,063	18,450	121,428	87,338
Deferred revenue (note 5)			37,209	37,209	
Funds held for others		197,192		197,192	171,487
	99,915	200,255	55,659	355,829	258,825
FUND BALANCES					
Restricted	11,050	16,874,612	551,067	17,436,729	14,866,397
Unrestricted	25,018			25,018	175,322
	36,068	16,874,612	551,067	17,461,747	15,041,719
	135,983	17,074,867	606,726	17,817,576	15,300,544

APPROVED BY THE BOARD:

Docusigned by: Director

Carly O'Brien Director 7/9/2025

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The explanatory financial notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	2024 $	2023 $
Cash flows from operating activities:		
Excess of revenues over expenditures	**2,420,028**	1,453,444
Item not involving cash:		
Unrealized appreciation of investments	**(1,640,433)**	(751,687)
	779,595	701,757
Net change in non-cash working capital balances relating to operations:		
Interest receivable	**(4,700)**	
HST recoverable	**(244)**	1,278
Prepaid expenses	**(1,671)**	297
Deferred revenue	**37,209**	
Accounts payable and accrued liabilities	**34,090**	78,125
	844,279	781,457
Cash flows from investment activities:		
Increase in investments	**(887,949)**	(796,383)
Funds held for others-asset	**(25,705)**	1,137,616
Funds held for others-liabilities	**25,705**	(1,137,616)
	(887,949)	(796,383)
Net decrease in cash	**(43,670)**	(14,926)
Cash, beginning of year	**215,834**	230,760
Cash, end of year	**172,164**	215,834

The explanatory financial notes form an integral part of these financial statements.

1. Nature of Organization

The Guelph Community Foundation (the "Foundation") is a public foundation that was incorporated as a corporation without share capital under the Canada Corporations Act on July 9, 1999. The Foundation was granted a certificate of continuance on September 15, 2014, under the Canada Not-for-profit Corporations Act. The Foundation exists to strengthen and support the Guelph community through philanthropic leadership. Charitable endeavours in areas such as health, education, arts and culture, recreation, the environment, and social services, are supported by distributing, via grants, the income earned on the permanent endowment funds. The Foundation is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting

To ensure observation of restrictions placed on the use of resources available to The Guelph Community Foundation, the accounts are maintained in accordance with the principles of fund accounting. The resources are classified for accounting and reporting purposes into the following funds which have been established according to their nature and purpose:

The **Operating fund**, reports resources available for the Foundation's general operating activities.

The **Endowed fund**, reports resources that are to be held as permanent endowments including unexpended investment income which is restricted to specific purposes. To support the policy of preserving the capital of the permanent endowment funds, while complying with the disbursement quota requirements of the Income Tax Act (Canada), the Foundation endeavours to provide a minimum of 3.5% of the market value of the funds as grants in any given year. Where granting at that level would have the effect of eroding the capital of the permanent endowed funds, the Foundation may choose to grant a lesser amount in order to minimize or alleviate the erosion of capital. In so doing, it may have to utilize some of the disbursement excess carried forward from prior years in order to comply with the disbursement quota legislation.

The **Non-Endowed fund**, reports resources that are not to be held as endowments and are, therefore, disbursed as grants on a current basis. They are flow through funds and funds for charitable distribution through which donors provide support for charitable organizations.

(b) Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the Operating Fund.

Investment and other income, are recognized in the year received.

2. Summary of Significant Accounting Policies (Continued)

(c) Deferred gifts

The Foundation is the designated beneficiary of certain estates. The amount of these planned gifts is not readily determinable and has not been included in these financial statements.

(d) Investments

The investments of the Foundation are recorded at fair value based on quoted market prices. Investments that do not have a quoted value in an active market are recorded at cost, less impairment.

Life insurance policies, where the Foundation is the owner and beneficiary, are recorded at the policy's cash surrender value in the Endowment Fund. On receipt of the life insurance survivor benefits, these amounts are transferred to funds as specified by the donor.

The market value of investments denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the end of the year.

Purchases and sales of investments and investment income denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of the transactions.

(e) Gifts in kind and donations

Gifts in kind donations, which could include gifts of shares, bonds or other similar investments are recorded at fair value when the fair value is easily obtainable.

(f) Financial instruments

Measurements of financial instruments
The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments (excluding life insurance policies), and Funds Held for Others, which are measured at fair value. Changes in fair value are recognized in net surplus.

Impairment
Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, 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 not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction Cost
For financial instruments subsequently measured at fair value, the Foundation recognizes transaction costs directly attributable to their origination, issuance or assumption in net income in the period incurred. When a financial instrument is measured at amortized cost, transaction costs are included in the initial measurement of the instrument

2. Summary of Significant Accounting Policies (Continued)

(g) Contributed services and materials

During the year, a number of organizations donate services to the Foundation and a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed materials and services are not recorded in the financial statements.

Contributed materials, used in the normal course of operations, are recognized in the financial statements when the fair value can be reasonably estimated, and the materials would otherwise have been purchased.

(h) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

3. Gifts in Kind Contributions

During the year, the Foundation received gifts in kind contributions of stocks with a fair value of $370,727 ($325,650 in 2023).

4. Interfund Loans

Interfund loans are the result of transferring money between the funds within the Foundation. They are non-interest bearing and are due on demand.

5. Investments

	2024	2023
	$	$
Investments at year end are comprised of the following:		
Operating fund investments		
Cash	**632**	1,067
Portfolio investments	**56,358**	150,143
	56,990	151,210
Endowed fund investments		
Cash	**239,549**	33,250
Portfolio investments	**16,653,790**	14,655,551
Life insurance policies (CSV)	**65,986**	64,777
	16,959,325	14,753,578
Non-Endowed fund investments		
Portfolio investments	**416,855**	
	17,433,170	14,904,788

5. Investments (Continued)

The Foundation is the owner and beneficiary of four (three in 2023) life insurance policies. The cash surrender value (CSV) of these life insurance policies is included in the above investments. During the year, the Foundation received donations of $54,140 ($1,210 in 2023) designated to pay the premiums of the insurance policies. Some of the policies are paid-up and have no ongoing premium requirements. The donation in excess of the insurance premiums is recognzied as deferred revenue and will be used for upcoming premiums. The Foundation will recognize the death benefits when the proceeds are received, as the realizable amount of the life insurance policies is not certain.

The Foundation maintains a policy governing the investment of capital funds. The policy addresses investment grade and concentration as well as asset mix and other issues. The following long term asset mix policy was in effect at year end and was established in order to provide a benchmark for long term return requirements which are consistent with the fund objectives.

	Minimum	Maximum
Cash and money market	2%	15%
Fixed income	23%	50%
Equities	25%	75%
Alternative investments	0%	10%

6. Accounts Payable and Accrued Liabilities

There were no amounts payable with respect to government remittances as of the year end date.

7. Interfund Transfers

During the year, the Foundation made the following interfund transactions:

Non-endowed funds of $21,199 ($28,247 in 2023) were transferred, at the direction of the fund donors, to the endowed fund for the purposes of internal granting between the endowed and non-endowed funds.

Endowed funds, at the direction of the fund donors, transferred $7,505 ($9,503 in 2023) of net assets to the operating fund for the purposes of funding operating expenditures.

8. Commitments

The Foundation is committed under a long-term lease for premises which expires July 31, 2025. Minimum annual rentals (inclusive of the requirement to pay property taxes and common area expenses) are approximately as follows:

2025	**19,600**

9. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the year end date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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. It is management's opinion that the entity is not exposed to significant credit risk.

Market risk

Market risk is the risk that the fair value or 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 entity is mainly exposed to currency risk and other price risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies. The entity is exposed to currency risk on investments in United States dollars of $5,992,371 ($3,949,622 in 2023) denominated in Canadian Dollars.

Other price risk

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 entity is exposed to other price risk through its investments.

The entity manages market risk by diversifying investments in accordance with its policy governing the investment of capital funds.

10. Comparative Figures

Comparative figures have, in some instances, been reclassified in order to present them in a form comparable to those for the current year.