

THE GUELPH COMMUNITY FOUNDATION

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

	Page
Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Operations	3
Statement of Net Assets	4
Financial Position	5
Statement of Cash Flows	6
Explanatory Financial Notes	7 - 11

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, 2025, 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, 2025, 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.

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.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario
May 21, 2026

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

THE GUELPH COMMUNITY FOUNDATION

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2025

	Operating Fund \$	Endowed Fund \$	Non-Endowed Fund \$	2025 \$	2024 \$
Revenues					
Donations	5,990	842,604	1,119,336	1,967,930	1,688,113
Grants	4,644			4,644	5,013
Interest and dividends	24,727	532,268	5,099	562,094	447,263
Realized gain on sale of investments	8,982	1,505,495	15,663	1,530,140	426,855
Other income	5,068			5,068	375
	49,411	2,880,367	1,140,098	4,069,876	2,567,619
Grants paid out		599,157	769,630	1,368,787	1,189,077
	49,411	2,281,210	370,468	2,701,089	1,378,542
Expenditures					
Salaries	228,912			228,912	368,198
Professional fees	36,545		3,371	39,916	49,883
Investment management fees	1,727	82,656	624	85,007	63,501
Office	54,338			54,338	50,109
Printing and marketing	17,497			17,497	20,872
Rent	32,455			32,455	32,387
Community projects					5,000
Dues and fees	4,665			4,665	5,399
Repairs and maintenance	3,773			3,773	3,759
Insurance	2,874			2,874	2,868
Bank charges	1,568			1,568	1,643
Administration (recovery) fee	(387,546)	342,904	40,651	(3,991)	(4,672)
	(3,192)	425,560	44,646	467,014	598,947
Excess of revenues over expenditures before the following	52,603	1,855,650	325,822	2,234,075	779,595
Other					
Unrealized appreciation (depreciation) of investments	(19,581)	(704,367)	(7,746)	(731,694)	1,640,433
Excess of revenues over expenditures	33,022	1,151,283	318,076	1,502,381	2,420,028

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

THE GUELPH COMMUNITY FOUNDATION

STATEMENT OF NET ASSETS YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Endowed Fund	Non-Endowed Fund	2025 Total	2024 Total
Fund balances, beginning of year	36,068	16,874,612	551,067	17,461,747	15,041,719
Excess of revenues over expenditures	33,022	1,151,283	318,076	1,502,381	2,420,028
Interfund transfers (note 7)	12,964	(148,767)	135,803		
Fund balances, end of year	82,054	17,877,128	1,004,946	18,964,128	17,461,747

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

THE GUELPH COMMUNITY FOUNDATION

FINANCIAL POSITION DECEMBER 31, 2025

	Operating Fund \$	Endowed Fund \$	Non-Endowed Fund \$	2025 \$	2024 \$
ASSETS					
Cash	27,507	2,467	111,015	140,989	172,164
HST recoverable	5,700			5,700	8,192
Interest receivable		6,328		6,328	4,700
Prepaid expenses	1,500			1,500	2,158
Interfund receivables (payables) (note 4)	76,834	(171,098)	94,264		
Current assets	111,541	(162,303)	205,279	154,517	187,214
Investments (note 5)	17,474	18,092,752	822,626	18,932,852	17,433,170
Funds held for others		208,155		208,155	197,192
	129,015	18,138,604	1,027,905	19,295,524	17,817,576
LIABILITIES					
Accounts payable and accrued liabilities (note 6)	32,561	53,321	6,750	92,632	121,428
Deferred revenue (note 5)	14,400		16,209	30,609	37,209
Funds held for others		208,155		208,155	197,192
	46,961	261,476	22,959	331,396	355,829
FUND BALANCES					
Restricted		17,877,128	1,004,946	18,882,074	17,436,729
Unrestricted	82,054			82,054	25,018
	82,054	17,877,128	1,004,946	18,964,128	17,461,747
	129,015	18,138,604	1,027,905	19,295,524	17,817,576

APPROVED BY THE BOARD:

_____ Director

_____ Director

THE GUELPH COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2025

	2025 \$	2024 \$
Cash flows from operating activities:		
Excess of revenues over expenditures	1,502,381	2,420,028
Item not involving cash:		
Unrealized (appreciation) depreciation of investments	731,694	(1,640,433)
	2,234,075	779,595
Net change in non-cash working capital balances relating to operations:		
Interest receivable	(1,628)	(4,700)
HST recoverable	2,492	(244)
Prepaid expenses	658	(1,671)
Deferred revenue	(6,600)	37,209
Accounts payable and accrued liabilities	(28,796)	34,090
	2,200,201	844,279
Cash flows from investment activities:		
Increase in investments	(2,231,376)	(887,949)
Funds held for others-asset	(10,963)	(25,705)
Funds held for others-liabilities	10,963	25,705
	(2,231,376)	(887,949)
Net decrease in cash	(31,175)	(43,670)
Cash, beginning of year	172,164	215,834
Cash, end of year	140,989	172,164

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 \$480,609 (\$370,727 in 2024).

4. Interfund Receivables (Payables)

Interfund receivables (payables) are the result of transferring money between the funds within the Foundation.

5. Investments

Investments at year end are comprised of the following:

Operating fund investments

	2025 \$	2024 \$
Portfolio investments	17,474	56,990
	17,474	56,990

Endowed fund investments

Cash	197,165	239,549
Portfolio investments	17,846,741	16,653,790
Life insurance policies (CSV)	48,846	65,986
	18,092,752	16,959,325

Non-Endowed fund investments

Portfolio investments	822,626	416,855
	18,932,852	17,433,170

5. Investments (Continued)

The Foundation is the owner and beneficiary of three (four in 2024) 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 \$1,210 (\$54,140 in 2024) 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 recognized 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 NIL (\$21,199 in 2024) 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 \$12,964 (\$7,505 in 2024) of net assets to the operating fund for the purposes of funding operating expenditures. In addition, funds of \$135,803 (NIL in 2024) were transferred to Non-endowed funds partially to a fund reserved to support future operating and development expenses and the difference for purposes of internal granting to Non-endowed funds.

8. Commitments

The Foundation was committed under a long-term lease for premises which expired July 31, 2025. For the remainder of 2025 the rent remained unchanged at \$2,910 per month. Effective January 1, 2026, the Foundation committed to a one year lease for the same monthly amount.

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 \$2,946,448 (\$5,992,371 in 2024) 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.