

**THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**Financial Statements**  
**Year Ended December 31, 2024**

**THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**Index to Financial Statements**  
**Year Ended December 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of The Community Foundation of Newfoundland and Labrador

### *Qualified Opinion*

We have audited the financial statements of The Community Foundation of Newfoundland and Labrador (the "Foundation"), which comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures, changes in fund balances 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 possible 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 Foundation as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising and donation activities 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2024, current assets and net assets as at December 31, 2024. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of 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 Foundation in accordance with 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 audit opinion.

### *Other Matter*

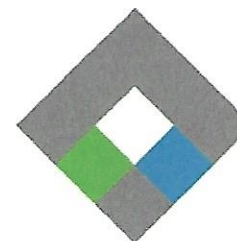
The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on March 20, 2024 for the reasons described in the *Basis for Qualified Opinion* section.

### *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 ASNPO, 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.

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## Independent Auditor's Report to the Members of The Community Foundation of Newfoundland and Labrador *(continued)*

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.

### *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 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 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 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.

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# NOSEWORTHY CHAPMAN

chartered professional accountants

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## Independent Auditor's Report to the Members of The Community Foundation of Newfoundland and Labrador *(continued)*

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.

*Noseworthy Chapman*

Chartered Professional Accountants  
St. John's, NL  
April 5, 2025

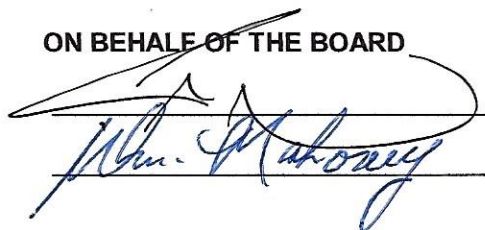
**THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**

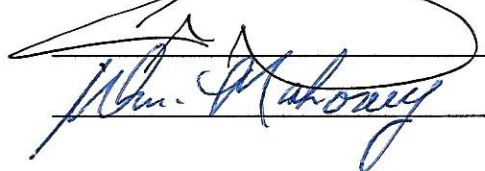
**Statement of Financial Position**

**December 31, 2024**

	Operating Fund	Restricted Funds	2024	2023
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and cash equivalents	\$ 101,954	\$ 3,711	\$ 105,665	\$ 277,479
Term deposits	-	-	-	104,559
Accounts receivable	17,275	11,060	28,335	800
Harmonized sales taxes recoverable	3,388	-	3,388	3,378
Prepaid expenses	867	-	867	518
	123,484	14,771	138,255	386,734
<b>MARKETABLE SECURITIES (Note 5)</b>	-	2,433,732	2,433,732	1,975,781
<b>CASH SURRENDER VALUE OF LIFE INSURANCE</b>	-	610	610	547
	\$ 123,484	\$ 2,449,113	\$ 2,572,597	\$ 2,363,062
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities	\$ 22,853	\$ -	\$ 22,853	\$ 8,325
Deferred income (flow-through)	-	-	-	24,396
	22,853	-	22,853	32,721
<b>DEFERRED INCOME - OPERATING RESERVE</b>	-	-	-	5,983
	22,853	-	22,853	38,704
<b>FUND BALANCES</b>				
The Community fund	-	254,484	254,484	241,227
The Sustainability fund	-	12,615	12,615	-
Externally restricted funds	-	2,182,014	2,182,014	1,972,026
Operating fund	100,631	-	100,631	111,105
	100,631	2,449,113	2,549,744	2,324,358
	\$ 123,484	\$ 2,449,113	\$ 2,572,597	\$ 2,363,062

**ON BEHALF OF THE BOARD**

 Director

 Director

See notes to financial statements



**THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2024**

	Operating Fund	Restricted Funds	2024	2023
<b>REVENUES</b>				
Grants	\$ 59,211	\$ -	\$ 59,211	\$ -
Operating grants	140,000	-	140,000	140,000
Flow-through funds ( <i>Note 4</i> )	70,500	-	70,500	781,272
Donations	22,464	222,359	244,823	307,600
Realized gain on investments	-	(1,241)	(1,241)	33,279
Investment income	4,895	55,890	60,785	65,127
Administration fees	46,434	-	46,434	52,387
Change in market value of investments	-	142,450	142,450	98,170
Increase (decrease) in CSV of life insurance	-	63	63	(5,646)
Unrealized loss on foreign exchange	-	-	-	(1,260)
	343,504	419,521	763,025	1,470,929
<b>EXPENDITURES</b>				
Flow-through funds	70,500	-	70,500	781,272
General and administrative	109,158	46,756	155,914	97,324
Grants	9,659	131,679	141,338	143,545
Investment management (recovery) fees	(103)	5,226	5,123	25,719
Professional fees	33,289	-	33,289	36,272
Salaries and wages	131,475	-	131,475	118,800
	353,978	183,661	537,639	1,202,932
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	\$ (10,474)	\$ 235,860	\$ 225,386	\$ 267,997

**THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**

**Statement of Changes in Fund Balances**

**Year Ended December 31, 2024**

	Operating Fund	Restricted Funds	<b>2024</b>	2023
<b>FUND BALANCES -</b>				
<b>BEGINNING OF YEAR</b>	\$ 111,105	\$ 2,213,253	\$ <b>2,324,358</b>	\$ 2,056,361
Excess (deficiency) of revenues over expenditures	(10,474)	235,860	<b>225,386</b>	267,997
<b>FUND BALANCES - END OF YEAR</b>	\$ 100,631	\$ 2,449,113	\$ <b>2,549,744</b>	\$ 2,324,358



**THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**

**Statement of Cash Flows**

**Year Ended December 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 225,386	\$ 267,997
Changes in non-cash working capital:		
Accounts receivable	(27,534)	737
Accounts payable and accrued liabilities	14,528	(31,632)
Deferred income	(30,379)	10,021
Prepaid expenses	(349)	883
Harmonized sales taxes recoverable	(10)	(1,718)
	(43,744)	(21,709)
Cash flow from operating activities	181,642	246,288
<b>INVESTING ACTIVITIES</b>		
Purchase of marketable securities	(457,952)	(191,504)
Cash surrender value of life insurance	(63)	5,646
Cash flow used by investing activities	(458,015)	(185,858)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(276,373)</b>	<b>60,430</b>
Cash - beginning of year	382,038	321,608
<b>CASH - END OF YEAR</b>	<b>\$ 105,665</b>	<b>\$ 382,038</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 105,665	\$ 277,479
Term deposits	-	104,559
	<b>\$ 105,665</b>	<b>\$ 382,038</b>

See notes to financial statements

**THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

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**1. PURPOSE OF THE FOUNDATION**

The Community Foundation of Newfoundland and Labrador (the "organization") is a not-for-profit organization of Newfoundland and Labrador. As a registered charity the Foundation is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Foundation operates for the purpose of promoting the well-being of the people and community of Newfoundland and Labrador.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash includes cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding of the reporting date.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Fund accounting

The Community Foundation of Newfoundland and Labrador follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Foundation's program delivery, administrative activities, and one-time granting programs through the Community Foundations of Canada. This fund reports unrestricted resources and restricted operating grants.

Internally Restricted Funds

The Community Fund accounts for resources contributed that have been entrusted to the Foundation's Board of Directors to manage, and as such are considered internally restricted. The Community Fund supports emerging challenges and opportunities in communities across Newfoundland and Labrador.

The Sustainability Fund accounts for a reserve fund resulting from a Board directive to reserve 10% of unrestricted donations and as such is considered internally restricted. This fund was created to ensure the sustainability of the organization. In the prior year, this fund was presented as deferred revenue (2023 - \$5,983) and was transferred into its own fund in the current year. In the current year, \$6,631 was transferred into the sustainability fund, making the total of the fund balance \$12,615.

Externally Restricted Fund

Externally Restricted Fund account for resources contributed for donor-designated endowment funds and investment income earned on resources of the Externally Restricted Funds. These funds are the property of the Foundation and have specific identified purposes for distribution as per donor agreements.

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# THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR

## Notes to Financial Statements

Year Ended December 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions to the Community Fund are held by the Foundation's Board of Directors as endowments.

Investment income earned on donor-designated funds, and the Operating Fund is recognized when received and is recorded as revenue of the respective fund.

Administration fees are calculated based on the average net assets of each fund, and are recorded as revenue of the Operating Fund.

#### Marketable securities

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

#### Contributed services

The Foundation may receive goods at no cost from donors. Significant donations are recorded at their estimated fair value at the date of the donation. The Foundation also benefits from the service of volunteers. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Salaries and related costs

Salaries and related costs presented in the Statement of Revenues and Expenditures - Operating Fund represent the total amount incurred for the year and have not been allocated on a functional basis to the various charitable activities, programs and administration of the Foundation.

#### Measurement uncertainty

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

### 3. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2024.

(*continues*)

# THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR

## Notes to Financial Statements

Year Ended December 31, 2024

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### 3. FINANCIAL INSTRUMENTS *(continued)*

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from donors, revenue from investments, and operational expenditures.

#### 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 rate risk, interest rate risk and other price risk. The Foundation is mainly exposed to interest rate risk and other price risk.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its investments.

#### 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 Foundation is exposed to other price risk through its investment in quoted shares.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

### 4. FLOW-THROUGH FUNDS

	2024	2023
Community Services Recovery Fund	\$ 70,500	\$ 730,561
Investment Readiness Program	-	50,000
Guy Perry Fund	-	523
Bringing Down the House	-	188
	<b>\$ 70,500</b>	<b>\$ 781,272</b>

Flow-through funds facilitate short term granting. Funds are distributed within 1-3 years from when they were received by The Foundation. These flow-through funds, also include national granting programs with Community Foundations of Canada, like the Community Services Recovery Fund.

### 5. MARKETABLE SECURITIES

The total book cost value of the marketable securities as of December 31, 2024 is \$2,249,581 (2023 - \$1,782,947).

### 6. DUE TO RELATED PARTY

The Foundation leases a premises under month to month leases. The Foundation receives the lease as donated space from a board member, at no cost to the Foundation. The market value of the office space is \$650 per month plus HST. The Foundation is a registered charity, exempt from the proportional share of the business realty tax, which would be \$24 per month. These in kind contributions have not been reflected in these financial statements.



**THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

**7. RECONCILIATION OF ENDOWMENT BALANCES**

The Endowment Funds consist of contributions designated by donors to remain with The Foundation for a specific period of time ranging from 10 years to perpetuity. The income earned by the endowed funds principal (donations to the fund) is spendable according to any restrictions designated by the donor. In the case of spend-down funds, income earned and portions of the principal are spendable as per Fund Agreements. The endowed funds and the spendable balance are tracked separately.

	<b>2024</b>	<b>2023</b>
<u>Unrestricted Endowments - Spendable</u>		
Opening balance	\$ -	\$ -
Current year income distribution	<b>50,807</b>	16,000
Internal transfers and donations (net)	<b>(13,682)</b>	-
Grants paid	<b>(37,125)</b>	(16,000)
	-	-
<u>Unrestricted Endowments - Principal</u>		
Opening balance	<b>241,227</b>	131,158
Contributions received during the year	<b>53,127</b>	118,920
Internal transfers and donations (net)	<b>(3,675)</b>	(8,851)
	<b>290,679</b>	241,227
<u>Restricted Endowments - Spendable</u>		
Opening balance	-	-
Current year income distribution	<b>137,302</b>	127,525
Flow through fund (Fiona)	<b>20,000</b>	-
Internal transfers and donations (net)	<b>(18,195)</b>	-
Grants paid	<b>(80,872)</b>	(127,525)
	<b>58,235</b>	-
<u>Restricted Endowments - Principal</u>		
Opening balance	<b>1,972,026</b>	1,817,972
Contributions received during the year	<b>129,678</b>	178,261
Internal transfers and donations (net)	<b>12,012</b>	(24,207)
Beginning spendable balances	<b>(137,302)</b>	-
Deferred revenue for flow through	<b>30,378</b>	-
	<b>2,006,792</b>	1,972,026
Fund reserve	<b>93,407</b>	-
<b>Grand total</b>	<b>\$ 2,449,113</b>	<b>\$ 2,213,253</b>

**8. COMPARATIVE FIGURES**

The prior year comparative figures were audited by another firm of public accountants. Certain of the comparative figures have been restated to conform with the current year presentation.