

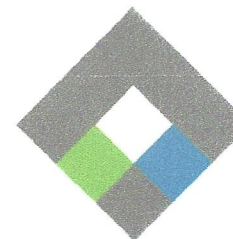
THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR

Financial Statements

Year Ended December 31, 2025

THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR
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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

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, 2025, 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, 2025, 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, 2025, current assets and net assets as at December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2025 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.

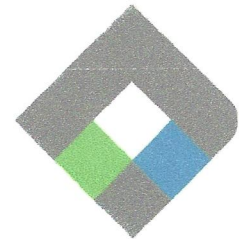
Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

(continues)



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

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.

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.

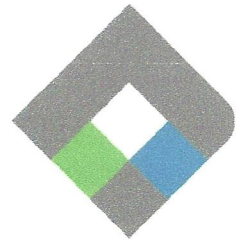
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NOSEWORTHY CHAPMAN

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

- 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.


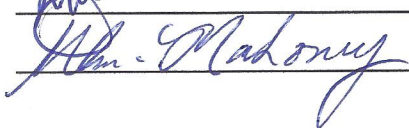
Noseworthy Chapman

Chartered Professional Accountants
St. John's, NL
March 25, 2026

THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR
Statement of Financial Position
December 31, 2025

	Operating Fund	Restricted Funds	2025	2024
ASSETS				
CURRENT				
Cash and cash equivalents	\$ 152,188	\$ 341,059	\$ 493,247	\$ 105,665
Accounts receivable	10,250	2,745	12,995	28,334
Harmonized sales taxes recoverable	1,580	-	1,580	3,388
Prepaid expenses	868	-	868	867
	164,886	343,804	508,690	138,255
MARKETABLE SECURITIES (Note 4)	-	2,763,788	2,763,788	2,433,732
CASH SURRENDER VALUE OF LIFE INSURANCE	-	-	-	610
	\$ 164,886	\$ 3,107,592	\$ 3,272,478	\$ 2,572,597
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$ 19,384	\$ -	\$ 19,384	\$ 22,853
Deferred income (flow-through) (Note 6)	10,000	386,062	396,062	-
	29,384	386,062	415,446	22,853
FUND BALANCES				
The Community fund	-	315,474	315,474	254,484
The Sustainability fund	-	19,464	19,464	12,615
Externally restricted funds	-	2,386,592	2,386,592	2,182,014
Operating fund	135,502	-	135,502	100,631
	135,502	2,721,530	2,857,032	2,549,744
	\$ 164,886	\$ 3,107,592	\$ 3,272,478	\$ 2,572,597

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, 2025

	Operating Fund	Restricted Funds	2025	2024
REVENUES				
Grants	\$ 20,375	\$ -	\$ 20,375	\$ 122,711
Operating grants	139,839	-	139,839	140,000
Donations	21,900	283,504	305,404	244,823
Services rendered	34,050	-	34,050	7,000
Realized gain (loss) on investments	-	69,920	69,920	(1,241)
Investment income	3,281	71,625	74,906	60,785
Administration fees	54,456	-	54,456	46,434
Change in market value of investments	-	72,540	72,540	142,450
(Decrease) increase in CSV of life insurance	-	(610)	(610)	63
	273,901	496,979	770,880	763,025
EXPENDITURES				
General and administrative	73,753	57,982	131,735	155,914
Grants	4,570	154,515	159,085	211,838
Investment management fees	-	12,065	12,065	5,123
Professional fees	29,450	-	29,450	33,289
Salaries and wages	131,257	-	131,257	131,475
	239,030	224,562	463,592	537,639
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ 34,871	\$ 272,417	\$ 307,288	\$ 225,386

See notes to financial statements

THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Fund Balances

Year Ended December 31, 2025

	Operating Fund	Restricted Funds	2025	2024
FUND BALANCES - BEGINNING OF YEAR	\$ 100,631	\$ 2,449,113	\$ 2,549,744	\$ 2,324,358
Excess of revenues over expenditures	34,871	272,417	307,288	225,386
FUND BALANCES - END OF YEAR	\$ 135,502	\$ 2,721,530	\$ 2,857,032	\$ 2,549,744

See notes to financial statements

THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR**Statement of Cash Flows****Year Ended December 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 307,288	\$ 225,386
Changes in non-cash working capital:		
Accounts receivable	15,339	(27,534)
Accounts payable and accrued liabilities	(3,468)	14,528
Deferred income	396,062	(30,379)
Prepaid expenses	(1)	(349)
Harmonized sales taxes recoverable	1,808	(10)
	409,740	(43,744)
Cash flow from operating activities	717,028	181,642
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	69,920	1,241
Purchase of marketable securities	(399,976)	(459,193)
Cash surrender value of life insurance	610	(63)
Cash flow used by investing activities	(329,446)	(458,015)
INCREASE (DECREASE) IN CASH FLOW	387,582	(276,373)
Cash - beginning of year	105,665	382,038
CASH - END OF YEAR	\$ 493,247	\$ 105,665

See notes to financial statements

THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2025

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.

CFNL inspires and facilitates community generosity, supporting local community organizations and projects so that communities across our province can thrive.

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.

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, 2025

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.

THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2025

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, 2025.

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. MARKETABLE SECURITIES

The total book cost value of the marketable securities as of December 31, 2025 is \$2,550,186 (2024 - \$2,249,581).

THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2025

5. 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.

6. DEFERRED INCOME

The organization received donations and funding from various sources to assist with operational costs and community service. The contributions are being recognized as related expenditures are incurred.

	Opening Balance	Contributions	Revenue Recognized	2025	2024
North Shore Recovery Fund	\$ -	\$ 252,128	\$ (562)	\$ 251,566	\$ -
2025 NL Forest Fires Recovery Fund	-	135,181	(685)	134,496	-
Free to Play Program	-	10,000	-	10,000	-
	\$ -	\$ 397,309	\$ (1,247)	\$ 396,062	\$ -

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

THE COMMUNITY FOUNDATION OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended December 31, 2025

8. 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.

	2025	2024
Unrestricted Endowments - Spendable		
Opening balance	\$ -	\$ -
Current year income distribution	7,126	50,807
Internal transfers and donations (net)	2,874	(13,682)
Grants paid	(10,000)	(37,125)
	-	-
Unrestricted Endowments - Principal		
Opening balance	290,679	241,227
Contributions received during the year	55,590	53,127
Internal transfers and donations (net)	(50,006)	(3,675)
	296,263	290,679
Restricted Endowments - Spendable		
Opening balance	58,235	-
Current year income distribution	62,987	137,302
Flow through fund (Fiona)	(20,000)	20,000
Internal transfers and donations (net)	(1,641)	(18,195)
Grants paid	(67,048)	(80,872)
	32,533	58,235
Restricted Endowments - Principal		
Opening balance	2,006,792	1,972,026
Contributions received during the year	138,894	129,678
Internal transfers and donations (net)	(15,037)	12,012
Beginning spendable balances	-	(137,302)
Deferred revenue for flow through	-	30,378
	2,130,649	2,006,792
Fund reserve	262,085	93,407
Grand total	\$ 2,721,530	\$ 2,449,113