Community Foundation Grey Bruce
Financial Statements
For the year ended December 31, 2025

Community Foundation Grey Bruce
Table of Contents
For the year ended December 31, 2025

Page

Independent Auditor's Report

Financial Statements

Statement of Financial Position……...1

Statement of Operations and Changes in Fund Balances……..2

Statement of Cash Flows.....……..……3

Notes to the Financial Statements……....4

Schedule 1 - Administrative Expenses……... 15

Independent Auditor's Report

To the Board of Directors of Community Foundation Grey Bruce:

Opinion

We have audited the financial statements of Community Foundation Grey Bruce (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and 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, 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 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 Auditor's 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 the 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.

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.

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.

MNP LLP

Owen Sound, Ontario

Chartered Professional Accountants

June 23, 2026

Licensed Public Accountants

Community Foundation Grey Bruce

Statement of Financial Position

As at December 31, 2025

	2025	*2024*
Assets		
Current		
Cash	**358,976**	245,096
Investments (Note 3)	**24,634,435**	23,492,356
Cash surrender value of life insurance (Note 4)	**53,791**	37,563
Accounts receivable (Note 5)	**37,797**	48,383
Prepaid expenses	**2,032**	1,243
	25,087,031	23,824,641
Liabilities and Fund Balances		
Current		
Accounts payable (Note 6)	**32,168**	13,455
Deferred revenue (Note 7)	**58,992**	-
	91,160	13,455
Fund balances		
Externally restricted (Note 8)		
Endowments	**18,854,015**	18,134,397
Donor restricted	**5,156,297**	4,729,144
Operating	**985,559**	947,645
	24,995,871	23,811,186
	25,087,031	23,824,641

Approved by the Board:

e-Signed by Rick Hill
2026-06-18 09:33:58:58 MDT

Director

e-Signed by Terry King
2026-06-18 09:23:20:20 MDT

Director

The accompanying notes are an integral part of these financial statements.

Community Foundation Grey Bruce
Statement of Operations and Changes in Fund Balances
For the year ended December 31, 2025

	Operating Fund		Restricted Fund		Endowment Fund		Total	
	2025	*2024*	***2025***	*2024*	***2025***	*2024*	***2025***	*2024*
Revenues								
Donations and event revenue	**22,073**	23,340	**49,750**	34,652	**517,671**	457,623	**589,494**	515,615
Project funds	**-**	-	**1,157**	10,247	**-**	-	**1,157**	10,247
Donation to Grant	**-**	-	**38,973**	5,667	**-**	-	**38,973**	5,667
Donated CSV-life insurance policy	**-**	-	**16,228**	36,436	**-**	-	**16,228**	36,436
Investment income (Note 9)	**273,812**	418,359	**1,795,490**	3,075,572	**-**	-	**2,069,302**	3,493,931
	295,885	441,699	**1,901,598**	3,162,574	**517,671**	457,623	**2,715,154**	4,061,896
Expenses								
Administrative expenses (Schedule 1)	**529,304**	482,588	**18,366**	33,923	**-**	-	**547,670**	516,511
Grants (Note 10)	**-**	-	**982,799**	831,972	**-**	-	**982,799**	831,972
	529,304	482,588	**1,001,165**	865,895	**-**	-	**1,530,469**	1,348,483
Excess (deficiency) of revenues over expenses before transfers	**(233,419)**	(40,889)	**900,433**	2,296,679	**517,671**	457,623	**1,184,685**	2,713,413
Interfund transfers (Note 11)	**271,333**	287,274	**(473,280)**	(272,397)	**201,947**	(14,877)	**-**	-
Excess revenue over expenses for the year	**37,914**	246,385	**427,153**	2,024,282	**719,618**	442,746	**1,184,685**	2,713,413
Fund balances, beginning of year	**947,645**	701,260	**4,729,144**	2,704,862	**18,134,397**	17,691,651	**23,811,186**	21,097,773
Fund balances, end of year	**985,559**	947,645	**5,156,297**	4,729,144	**18,854,015**	18,134,397	**24,995,871**	23,811,186

The accompanying notes are an integral part of these financial statements

Community Foundation Grey Bruce
Statement of Cash Flows
For the year ended December 31, 2025

	2025	*2024*
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	**1,184,685**	2,713,413
Items not involving cash		
Change in unrealized gain on investments	**(214,493)**	(1,485,521)
Donation of securities	**(82,080)**	(175,945)
	888,111	1,051,947
Changes in non-cash working capital balances:		
Accounts receivable	**10,586**	2,823
Prepaid expenses	**(789)**	1,793
Deferred Revenue	**58,992**	-
Accounts payable	**18,713**	(1,550)
	975,613	1,055,013
Investing activities		
Increase in investments	**(845,506)**	(1,038,665)
Change in cash surrender value of life insurance	**(16,228)**	(36,437)
	(861,734)	(1,075,102)
Increase (decrease) in cash and bank during the year	**113,880**	(20,089)
Cash and bank, beginning of the year	**245,096**	265,185
Cash and bank, end of the year	**358,976**	245,096

The accompanying notes are an integral part of these financial statements

1. Nature and Purpose of Organization

Community Foundation Grey Bruce is incorporated without share capital by letters patent under the laws of the Canada Corporations Act. The Community Foundation Grey Bruce encourages endowment building and a percentage of the net investment income earned from endowments is disbursed to not-for-profit organizations, charities, and educational and cultural
organizations in Grey and Bruce Counties.

The Community Foundation Grey Bruce is a registered charity and, as such, is exempt from income tax and may issue tax receipts to donors. Donations can be endowed or granted directly to charities.

2. Summary of Significant Accounting Policies

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

a) Fund accounting

The Community Foundation Grey Bruce follows the restricted fund method of accounting for contributions.

The Operating Fund reports resources available for the Foundation's program delivery and administrative activities. The use of these funds is at the discretion of the Foundation's Board of Directors.

The Restricted Fund reports resources available for grant making purposes specified by the donor or endowment funder.

The Endowment Fund reports resources contributed for endowment that are not to be expended by the Foundation.

b) Revenue recognition

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Grant revenue is recorded in the period in which the related eligible expenses are incurred. Where a portion of a grant relates to a future period, it is deferred and recognized in a subsequent period.

Restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Contributions for endowment are recognized as revenue in the Endowment Fund when received.

Investment income includes dividends, interest, realized gains (losses) and the net change in unrealized gains (losses) for the year, less investment counsel fees.

Investment income earned on resources of the Endowment Fund is reported in the Operating or Restricted Fund depending on the nature of any restrictions imposed by the contributors of the endowment. An allocation of interest, determined annually by the Board of Directors, is reported as an interfund transfer to the Endowment Fund to preserve the purchasing power of the capital. Allocation of $355,112 was made in 2025 (2024 - $NIL).

Investment income earned on restricted funds is reported as revenue of the appropriate restricted fund and unrestricted investment income is recognized in the operating fund when earned.

Significant accounting policies, continued

c) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued.

In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. In addition, bonds, guaranteed investment certificates and private equity have been designated to be in the fair value category, with gains and losses reported in operations. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date.

All other financial instruments, including social impact investments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

d) Contributed Materials and Services

Volunteers contribute a substantial number of hours each year to assist the Foundation in carrying out its activities. Due to the difficulty in determining fair value, contributed goods and services are not recognized in the financial statements.

e) Foreign Currency Translation

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current year.

3. Investments

		2025		2024
Fixed income				
Canadian	**5,149,741**	**21%**	4,839,428	21%
Equities				
Canadian	**7,665,333**	**31%**	7,387,523	31%
Foreign	**4,938,210**	**20%**	5,147,834	22%
Private equity fund	**924,421**	**4%**	428,007	2%
International pooled funds	**4,855,543**	**20%**	4,681,928	20%
Social impact investing				
Community bonds	**-**	**- %**	40,000	- %
Social Enterprise Loan	**25,000**	**- %**	25,000	- %
Mortgage receivable	**101,837**	**- %**	108,000	- %
	23,660,085	**96%**	22,657,720	96%
Cash and Cash equivalents				
Canadian	**660,203**	**3%**	411,731	2%
Foreign	**314,147**	**1%**	422,905	2%
	974,350	**4%**	834,636	4%
Balance, end of year	**24,634,435**	**100%**	23,492,356	100%

Cash equivalents include $144,065 (2024 - $Nil) in Canadian and $299,354 (2024 - $Nil) in US$ money market units.

Private Equity Investment

In 2023, the Foundation entered into a subscription agreement with Jarislowsky Fraser Partners Private Equity Fund 2023/2024 LP and agreed to subscribe at a range up to 10% of the total asset range as articulated in the Investment Policy Statement. At December 31, 2025 the total allocated to Private Equity was $924,421, as a result of capital call notices, or percent of the asset range. The investment objective of the Fund is to seek attractive long-term capital appreciation by investing, directly or indirectly, in a globally diversified portfolio composed primarily of private equity investments and also including private debt investments.

Social Impact Investing

Investments made through the Social Impact Investing (SII) Stream are made as part of the Foundation's overall obligation to diversify investments to an extent that is appropriate to the requirements of the Foundation and general economic and investment market conditions. These investments are also made as part of the Foundation's goal of increasing the impact of its activities by investing a portion of its assets directly in the local community. Social impact investments are made in organizations with the intention of generating local social and environmental impact while maintaining a financial return. The

3. Investments, continued

Foundations community bonds supporting affordable housing of $40,000 at 7.25% these bonds matured on September 15, 2025. The Foundation holds a mortgage for a community charity bearing interest of 4.5%, repayable in blended monthly payment of $1,351 maturing December 15, 2028. The Foundation also invested $25,000 in a Social Enterprise by providing a loan to a community organization bearing interest of 7.2% presently.

All other Investments are held for safekeeping at authorized depositories, such as the Canadian Depository for Securities. Investments are made in accordance with the Foundation's investment policy as approved by the Board. The primary objective in investing the assets of the Community Foundation Grey Bruce is income generation through fixed income and dividends and the preservation and enhancement of the value of the capital through prudent diversification of high-quality investments, currencies and asset classes.

The Foundation's investments are exposed to the following risks;

Market Risk

Market Risk is the risk that the value of the investments will fluctuate as a result of changes in market price. The Foundation is exposed to market risk on its investments in equities and pooled investments. The investments of the Foundation are subject to normal market fluctuations and to the risk inherent in investing in capital markets.

Interest Rate Risk

Interest Rate Risk is the risk that the value of the investments will fluctuate as a result of changes in market interest rates. Interest rate risk arises when the Foundation invests in interest-bearing financial instruments and, therefore, the Foundation is exposed to interest rate risk on its notes and bonds.

Currency Risk

Currency Risk is the risk that the value of the investments will fluctuate as a result of fluctuations in foreign exchange rates. The Foundation is exposed to currency risk on its foreign equities, pooled funds and cash as they are converted into Canadian dollars at the rate of exchange prevailing on December 31st to determine fair value.

Other Price Risk

Other price risk is the risk that the fair value of 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. The Foundation is exposed to price risk on the entire investment portfolio. The diversification across various asset classes as mandated by the Foundation's Investment Policy is designed to decrease the volatility of portfolio returns.

Liquidity Risk

Liquidity risk is the risk that, as a result of operational liquidity requirements, the Foundation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The majority of the Foundation's assets are in investments traded in an active market and can be readily liquidated. Alternative investments have restrictions on redemptions. Private equity investments and mortgages receivable are locked in and may not be easily transferred or sold.

The objective of the Foundation's investment policy is to control these risks with a balanced approach, with a diversified mix of equities and fixed income securities and cash. The Foundation’s investments are measured against a benchmark portfolio broken down as follows: 25% S&P/TSX; 20% S&P 500 (C$); 20% MSCI EAFE Net (C$); 5% MSCI Emerging Markets Net Index (C$); 28% (60%) FTSE Canada Short-Term Overall Bond + (40%) FTSE Canada Mid-Term Overall Bond; 2% FTSE TMX Canada 91 Day T-Bills. The indexes listed above are to be measured on a Total Return basis (including dividends and interest).

4. Interest in Life Insurance Policies

The Community Foundation Grey Bruce is the assignee and owner of 2 life insurance policies totalling approximately $610,000 ($185,000 and $425,000). The cash surrender value of $53,791 relating to these policies has been recorded as an asset in these financial statements.

5. Accounts Receivable

There were no impairment allowances included in accounts receivable. The Foundation is exposed to credit risk arising from their accounts receivable.

6. Accounts Payable

There were no government remittances included in accounts payable. The Foundation is exposed to liquidity risk arising from its accounts payable.

7. Deferred Revenue

Deferred revenue is a payment the Foundation received in advance for products or services it has not yet delivered. This relates to fees for granting programs, sponsorship of marketing and promotion initiatives, that support activity and expenditures in the following fiscal.

8. **Externally Restricted Net Assets**

	2025	2024
Endowments		
Designated - Agency Fund	**1,485,754**	1,414,858
Community Funds	**1,501,346**	1,383,462
Designated Funds	**1,695,347**	1,637,127
Dividend Pool	**1,747,696**	1,616,184
Donor Advised	**9,910,017**	9,641,081
Education Funds	**519,045**	493,408
Field of Interest	**471,106**	461,770
Designated - Foundation Operations	**1,523,704**	1,486,507
	18,854,015	18,134,397
Endowment fund earnings undistributed	**4,824,093**	4,651,817
Spend Down Funds		
578 Golden Fund	**84,260**	-
Don & Marlene Ische Endowed Fund	**45,050**	-
Kathy Canning Special Olympics Alpine Skiing	**24,416**	-
Steve Liverance & Nathan Handley Bruce Peninsula Minor Hockey Bursary	**10,000**	-
Flow Through Funds		
Institute of Southern Georgian Bay	**11,165**	9,265
Cheetam	**1,293**	1
Bannerman	**-**	9,500
Hamilton Kids	**401**	-
Georgian Bay Centre for Arts	**5,428**	1,165
100 Good Men - Flow Thru	**8,511**	-
CDC - Flow Thru	**96,750**	-
Donation - Flow Thru	**923**	-
Free to Play - Flow Thru	**296**	-
Project Funds		
Lake Huron Forever	**441**	1,827
Poverty Alleviation	**31,834**	31,502
Vital Conversations	**11,436**	24,067
	5,156,297	4,729,144

9. Investment Income

Investment income net of investment counsel fees is reported as follows:

	2025	2024
Dividends and interest	**676,204**	1,002,832
Realized gain	**1,293,213**	1,104,876
Change in unrealized gain	**214,493**	1,485,521
Investment council fees	**(114,608)**	(99,298)
Total investment income on endowment resources recognized as revenue in the year	**2,069,302**	3,493,931

Net investment income earned on endowment funds is reported as follows:

Operating	**273,813**	418,359
Restricted	**1,661,136**	2,925,902
Restricted - not available for distribution (see below)	**134,353**	149,670
Total investment income on endowment resources recognized as revenue in the year	**2,069,302**	3,493,931

Restricted Income: Income relates to that earned in the Regular Pool and the Dividend Pool. The Dividend pool does not pay out any unrealized amounts. This represents $134,353 (2024 - $149,670) in respect of the income earned in the year. The realized amounts earned on the dividend pool were $222,166 (2024 - $201,523).

10. Grants

	2025	2024
Related to endowments	**930,945**	785,374
Related to flow through funds	**51,854**	46,598
	982,799	831,972

11. Interfund Transfers

	2025	2024
Transfers to Operating Fund		
Annual administration fee of 1.75% of the market value of the endowments and 5% of receipts for flow through funds	**347,539**	287,274
Transfer From operating fund - transfer between funds	**(76,206)**	-
	271,333	287,274
Transfers from Restricted Fund		
Annual administration fee of 1.75% of the market value of the endowments and 5% of receipts for flow through funds	**(347,539)**	(287,274)
Transfer between funds	**(125,741)**	14,877
	(473,280)	(272,397)
Transfers to Endowment Fund		
Transfer between funds	**201,947**	(14,877)

Community Foundation Grey Bruce

Schedule 1 - Administrative Expenses

For the year ended December 31, 2025

	2025	2024
Operating Expenses		
Bank charges	**3,493**	3,147
Conferences, training and workshops	**9,684**	5,474
Equipment and furnishings	**3,793**	3,439
Insurance	**5,959**	5,713
Meetings	**3,130**	6,391
Membership dues and subscriptions	**8,366**	7,381
Office and miscellaneous expenses	**21,082**	7,428
Promotional material and events	**10,486**	10,280
Professional fees	**41,033**	31,063
Rent	**39,258**	20,939
Salaries and benefits	**329,275**	331,231
Software and website	**30,317**	26,599
Telephone and internet	**4,384**	4,216
Travel	**1,849**	2,375
Will Power and Special Projects	**17,195**	16,912
	529,304	482,588

The Foundation's operating expenses involve asset development and activities related to grant making, leadership and philanthropic services. These activities are not necessarily related to the donations received in any one year and the asset development methodology used by the Foundation creates normal gift delays which may result in costs preceding the receipt of the gifts by several years. The ratio of total operating expenses to average total assets has been used to evaluate operating costs.

Total assets, beginning of the year	**23,824,641**	21,112,778
Total assets, end of the year	**25,087,031**	23,824,641
Average total assets	**24,455,836**	22,468,710
Administrative expenses	**529,304**	482,588
Administrative expenses as a percentage of total assets	**2.16%**	2.15%

Project Fund Expenses		
Lake Huron Forever	**2,485**	2,200
Community Development Corporation	**3,250**	-
Poverty Alleviation	**-**	30,790
Vital Signs	**12,631**	933
	18,366	33,923