

**CANADIAN NATIONAL  
CHRISTIAN FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

Independent Auditor's Report

Statement of Financial Position

Statement of Changes in Fund Balances

Statement of Revenue and Expenditures

Statement of Cash Flows

Notes to the Financial Statements

ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Canadian National Christian Foundation

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### Qualified Opinion

We have audited the accompanying financial statements of Canadian National Christian Foundation ("the Foundation"), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in fund balances, revenue and expenditures 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 financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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### Basis for Qualified 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 qualified opinion.

In common with many not-for-profit organizations, the Foundation derives revenue from donations, 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 revenue, net revenue, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at the beginning and the end of the years ended December 31, 2023 and 2022. Our audit opinion on the financial statements for the year ended December 31, 2022 was also qualified because of the possible effects of this limitation in scope.

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**Emphasis of Matter - Restated Comparative Information**

We draw attention to note 2 to the financial statements which explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain of the comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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**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.

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**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.
- 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.



Authorized to practise public accounting by  
The Chartered Professional Accountants of Ontario

# CANADIAN NATIONAL CHRISTIAN FOUNDATION

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2023


	2023			2022
	General Fund	Donor Advised Funds	Total	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 526,184	\$ 13,386,965	\$ 13,913,149	\$ 5,253,167
Accounts receivable	1,953	-	1,953	805
Government receivables	41,453	-	41,453	39,728
Prepaid expenses	17,390	-	17,390	12,807
	586,980	13,386,965	13,973,945	5,306,507
INVESTMENTS (note 5)	607,684	61,026,181	61,633,865	60,764,695
INTERFUND BALANCES	(99,117)	99,117	-	-
	<b>\$ 1,095,547</b>	<b>\$ 74,512,263</b>	<b>\$ 75,607,810</b>	<b>\$ 66,071,202</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 28,521	\$ -	\$ 28,521	\$ 29,959
Due to Financial Discipleship Canada (note 4)	-	-	-	1,020
	28,521	-	28,521	30,979
<b>FUND BALANCES</b>	1,067,026	74,512,263	75,579,289	66,040,223
	<b>\$ 1,095,547</b>	<b>\$ 74,512,263</b>	<b>\$ 75,607,810</b>	<b>\$ 66,071,202</b>

APPROVED BY THE BOARD



Director

APPROVED BY THE BOARD



Director

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

**CANADIAN NATIONAL CHRISTIAN FOUNDATION**

**STATEMENT OF CHANGES IN FUND BALANCES**

**For the year ended December 31, 2023**

	<b>General Fund</b>	<b>Donor Advised Funds</b>	<b>Total</b>
FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ 1,007,688	\$ 64,479,196	\$ 65,486,884
CHANGE IN ACCOUNTING POLICY (note 2)	-	553,339	553,339
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	1,007,688	65,032,535	66,040,223
NET REVENUE	59,338	9,479,728	9,539,066
FUND BALANCES - END OF YEAR	\$ 1,067,026	\$ 74,512,263	\$ 75,579,289

**For the year ended December 31, 2022**

	<b>General Fund</b>	<b>Donor Advised Funds</b>	<b>Total</b>
FUND BALANCES - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ 759,583	\$ 70,109,019	\$ 70,868,602
CHANGE IN ACCOUNTING POLICY (note 2)	-	510,903	510,903
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	759,583	70,619,922	71,379,505
NET REVENUE (EXPENDITURES)	248,105	(5,587,387)	(5,339,282)
FUND BALANCES - END OF YEAR	\$ 1,007,688	\$ 65,032,535	\$ 66,040,223

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

# CANADIAN NATIONAL CHRISTIAN FOUNDATION

## STATEMENT OF REVENUE AND EXPENDITURES

For the year ended December 31, 2023

	2023			2022
	General Fund	Donor Advised Funds	Total	Total
<b>REVENUE</b>				
Donations	\$ -	\$21,143,292	\$21,143,292	\$32,850,799
Investment income (loss)	89,528	6,856,858	6,946,386	(8,511,725)
Other revenue	52,721	-	52,721	39,118
Administration fees	471,338	(471,338)	-	-
	<u>613,587</u>	<u>27,528,812</u>	<u>28,142,399</u>	<u>24,378,192</u>
<b>EXPENDITURES</b>				
Charitable donations	1,000	17,679,663	17,680,663	28,809,475
Investment management fees	-	369,421	369,421	443,637
Insurance	4,006	-	4,006	5,049
Marketing	24,406	-	24,406	9,431
Membership dues	3,348	-	3,348	2,256
Office and miscellaneous	15,160	-	15,160	16,254
Professional fees	14,051	-	14,051	26,512
Salaries, benefits and contracted services	389,494	-	389,494	270,371
Technical support fees	84,296	-	84,296	116,474
Telephone	8,813	-	8,813	7,140
Travel and meetings	9,675	-	9,675	10,875
	<u>554,249</u>	<u>18,049,084</u>	<u>18,603,333</u>	<u>29,717,474</u>
<b>NET REVENUE (EXPENDITURES)</b>	<b>\$ 59,338</b>	<b>\$ 9,479,728</b>	<b>\$ 9,539,066</b>	<b>\$ (5,339,282)</b>

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

# CANADIAN NATIONAL CHRISTIAN FOUNDATION

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	2023	2022
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expenditures)	\$ 9,539,066	\$ (5,339,282)
Net change in non-cash working capital items:		
Accounts receivable	(1,148)	(805)
Government receivables	(1,725)	42,934
Due to/from Financial Discipleship Canada	(1,020)	(6,815)
Prepaid expenses	(4,583)	(12,807)
Accounts payable and accrued liabilities	(1,438)	24,041
	9,529,152	(5,292,734)
INVESTING ACTIVITIES		
Purchase of investments, net	(869,170)	(9,925,689)
NET CHANGE IN CASH	8,659,982	(15,218,423)
CASH - BEGINNING OF YEAR	5,253,167	20,471,590
CASH - END OF YEAR	\$ 13,913,149	\$ 5,253,167

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



# CANADIAN NATIONAL CHRISTIAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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### 1. NATURE OF ORGANIZATION

The Canadian National Christian Foundation ("the Foundation") was established to encourage wise and generous stewardship to Canadian-based Christian charities. The Foundation was incorporated in 2002 under Part II of the Canada Corporations Act and continued under the Canada Not-for-profit Corporations Act in 2014. The Foundation is a public foundation under the Income Tax Act, and is exempt from income taxes.

### 2. CHANGE IN ACCOUNTING POLICY

The financial statements have been restated to include the cash surrender value of insurance policies that are owned by the Foundation and that were not recorded in previous years. The comparative figures have been restated as follows:

Fund balances - December 31, 2022, as previously reported	\$ 65,486,884
Increase as a result of the recognition of the cash surrender value of life insurance policies held	553,339
<b>Fund balances - December 31, 2022, as restated</b>	<b>\$ 66,040,223</b>

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The principal accounting policies of the Foundation are summarized as follows:

#### Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenditures are incurred. All other contributions are reported as revenue of the current period.

# CANADIAN NATIONAL CHRISTIAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fund Accounting

The Canadian National Christian Foundation follows the restricted fund method of accounting for contributions. All financial statement transactions have been recorded in one of two types of funds, the General Fund or Donor Advised Funds.

The General Fund accounts for the Foundation's program delivery and administrative activities. This Fund reports unrestricted resources.

The Donor Advised Funds are restricted funds set up by donors where donors are able to advise the Board of the Foundation with respect to the timing and amounts of distributions from the Fund. The Foundation has two types of Donor Advised Funds: Giving and Legacy.

#### Investments

The Foundation has fixed income and equity investments that are valued at market value, when traded in an active market, with realized and unrealized gains and losses being recorded in the statement of revenue and expenditures.

Investments not traded in an active market are recorded at cost.

The Foundation is the policy owner and beneficiary of various life insurance policies. These investments are revalued at cash value annually. The face value will be recognized upon receipt.

#### Foreign Exchange

The Foundation uses the temporal method to translate assets, liabilities, revenues and expenditures denominated in a foreign currency. Monetary items are adjusted to reflect the exchange rate in effect at the statement of financial position date. Non-monetary items are translated at historical exchange rates. Revenue and expenditure items are translated at the rate of exchange in effect on the dates they occur. Exchange gains or losses arising on these foreign currency transactions are included in determination of net income for the current period.

# CANADIAN NATIONAL CHRISTIAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of Estimates

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 amounts 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 expenditures during the year. Actual results could differ from those estimates.

### 4. RELATED PARTY TRANSACTIONS AND BALANCES

The Foundation is affiliated with the Financial Discipleship Canada ("FDC") by virtue of common management and a common Board of Directors.

All transactions with FDC occur in the normal course of operation and are recorded at their exchange amount which is the amount agreed to by related parties.

Donations to FDC include \$1,000 (2022 - \$34,900) from Donor Advised Funds and general operations.

The balance due to FDC of \$nil (2022 - \$1,020) is unsecured, non-interest bearing and has no specific terms of repayment.

The financial summary of FDC as at December 31, 2023, and for the year then ended, is as follows:

	<u>2023</u>	<u>2022</u>
<b>Financial position</b>		
Total assets	\$ <u>348,030</u>	\$ <u>240,728</u>
Total liabilities	\$ 22,816	\$ 24,967
Total net assets	<u>325,214</u>	<u>215,761</u>
	\$ <u>348,030</u>	\$ <u>240,728</u>
<b>Statement of operations</b>		
Total revenue	\$ 654,001	\$ 608,573
Total expenses	<u>544,548</u>	<u>496,664</u>
Net revenue	\$ <u>109,453</u>	\$ <u>111,909</u>
<b>Statement of cash flows</b>		
Operating activities	\$ <u>105,202</u>	\$ <u>71,843</u>

# CANADIAN NATIONAL CHRISTIAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

### 5. INVESTMENTS

	General	Donor Advised	2023	2022
Private mortgage	\$ -	\$ 3,545,000	\$ 3,545,000	\$ 3,575,000
Fixed income (bonds, GICs, etc.)	330,458	19,325,061	19,655,519	19,131,162
Equities	-	15,464,345	15,464,345	22,219,282
Mutual funds	277,226	17,740,391	18,017,617	13,497,081
Life insurance policies	-	795,381	795,381	583,540
Preferred private shares - at cost	-	3,625,000	3,625,000	1,205,000
Impact investments at cost - subordinated loan stock	-	531,003	531,003	553,630
	<b>\$ 607,684</b>	<b>\$ 61,026,181</b>	<b>\$ 61,633,865</b>	<b>\$ 60,764,695</b>

### 6. COMMITMENTS

The Foundation has entered into agreements with suppliers to provide and support the Foundation's software for minimum annual fees of \$22,000.

### 7. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, accounts receivable, investments, and accounts payable and accrued liabilities. It is Management's opinion that the fair value of these instruments is not materially different than their cost, except for certain investments which are recognized at fair value being the value they trade at in an active market, and that the Foundation is not exposed to significant interest rate, currency or credit risk.