

Financial Statements of

**SADBURY COMMUNITY
FOUNDATION | FONDATION
COMMUNAUTAIRE DE SADBURY**

And Independent Auditor's Report thereon

Year ended December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Directors of Sudbury Community Foundation | Fondation Communautaire de Sudbury

Opinion

We have audited the financial statements of Sudbury Community Foundation | Fondation Communautaire de Sudbury (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of 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 auditor’s report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.



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- 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 Entity'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 Entity 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 17, 2026

SUDBURY COMMUNITY FOUNDATION / FONDATION COMMUNAUTAIRE DE SUDBURY

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	Operating	Restricted and Endowment	2025 Total	2024 Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 36,719	\$ -	\$ 36,719	\$ 42,701
Investments (note 3)	-	201,425	201,425	189,468
Accounts receivable	2,694	-	2,694	7,366
Prepaid expenses and other	1,169	-	1,169	1,189
Interfund balances	179,550	(179,550)	-	-
	220,132	21,875	242,007	240,724
Restricted cash (note 2)	-	969,490	969,490	394,768
Long-term investments (note 3)	-	5,987,276	5,987,276	5,859,799
	\$ 220,132	\$ 6,978,641	\$ 7,198,773	\$ 6,495,291

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities	\$ 28,846	\$ -	\$ 28,846	\$ 27,128
Deferred revenue (note 6)	13,845	-	13,845	1,845
	42,691	-	42,691	28,973
Deferred insurance revenue (note 4)	12,533	-	12,533	22,304
	55,224	-	55,224	51,277
Fund balances:				
Unrestricted fund	164,908	-	164,908	138,972
Restricted and endowment funds (note 5)	-	6,978,641	6,978,641	6,305,042
	164,908	6,978,641	7,143,549	6,444,014
	\$ 220,132	\$ 6,978,641	\$ 7,198,773	\$ 6,495,291

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

SUDBURY COMMUNITY FOUNDATION / FONDATION COMMUNAUTAIRE DE SUDBURY

Statement of Operations and Changes in Fund Balances

Year ended December 31, 2025, with comparative information for 2024

	Operating		Restricted and Endowment		Total	
	2025	2024	2025	2024	2025	2024
Revenue:						
Fundraising and donations	\$ 4,149	\$ 6,048	\$ 164,359	\$ 468,359	\$ 168,508	\$ 474,407
Grants and employment programs	-	19,519	-	-	-	19,519
Other income	13,523	39,853	-	-	13,523	39,853
Investment income	575	8,234	555,844	354,002	556,419	362,236
Management fees	132,094	114,120	-	-	132,094	114,120
Jazz Sudbury / Sudbury Symphony Orchestra	11,100	12,075	-	-	11,100	12,075
	161,441	199,849	720,203	822,361	881,644	1,022,210
Expenses:						
Grants and employment programs	-	-	248,296	191,351	248,296	191,351
Management fees	-	-	132,094	114,119	132,094	114,119
Administration	110,409	155,847	-	15,475	110,409	171,322
Fundraising	5,647	2,079	-	9,458	5,647	11,537
Professional fees	19,449	18,063	31,052	38,470	50,501	56,533
	135,505	175,989	411,442	368,873	546,947	544,862
Excess of revenue over expenses before the undernoted	25,936	23,860	308,761	453,488	334,697	477,348
Unrealized gain on investments	-	-	364,838	567,600	364,838	567,600
Excess of revenue over expenses	25,936	23,860	673,599	1,021,088	699,535	1,044,948
Fund balances, beginning of year	138,972	115,112	6,305,042	5,283,954	6,444,014	5,399,066
Fund balances, end of year	\$ 164,908	\$ 138,972	\$ 6,978,641	\$ 6,305,042	\$ 7,143,549	\$ 6,444,014

See accompanying notes to financial statements.

SUDBURY COMMUNITY FOUNDATION / FONDATION COMMUNAUTAIRE DE SUDBURY

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 699,535	\$ 1,044,948
Item not involving cash:		
Unrealized gain on investments	(364,838)	(567,600)
	334,697	477,348
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	4,672	(112)
Decrease (increase) in prepaid expenses and other	20	(29)
Increase in accounts payable and accrued liabilities	1,718	14,918
Decrease in deferred insurance revenue	(9,771)	(9,771)
Increase (decrease) in deferred revenue	12,000	(38,008)
	343,336	444,346
Cash flows from investing activities:		
Increase (decrease) in investments	225,404	(128,818)
Increase in cash and cash equivalents	568,740	315,528
Cash and cash equivalents, beginning of year	437,469	121,941
Cash and cash equivalents, end of year	\$ 1,006,209	\$ 437,469
Cash and cash equivalents are made up of:		
Cash and cash equivalents	36,719	42,701
Restricted cash	969,490	394,768
	\$ 1,006,209	\$ 437,469

See accompanying notes to financial statements.

SUDBURY COMMUNITY FOUNDATION / FONDATION COMMUNAUTAIRE DE SUDBURY

Notes to Financial Statements

Year ended December 31, 2025

The mission of the Sudbury Community Foundation / Fondation Communautaire de Sudbury (the "Foundation") is to enhance the quality of life and vitality of our community by supporting and promoting fund development, receiving and managing bequests, making grants and providing leadership for various charitable causes. The Foundation is a not-for-profit organization incorporated without share capital under the laws of Canada and is also a registered charity and is therefore exempt from income tax under the Income Tax Act.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting.

(a) Fund accounting:

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

The operating fund reports revenues and expenses related to the operation and administration of the Foundation and the operating revenues and expenses from all fundraising activities.

The restricted and endowment fund reports the donations, the bequests received, and the related investment income earned thereon. This fund also reports investment management fees and the grants distributed from each endowment. The endowment fund is externally restricted in that the original donated capital cannot be disbursed and the income earned can only be disbursed according to the policies stipulated by the donor. Restricted donations are utilized for grants as stipulated by the donor.

(b) Revenue recognition:

Restricted contributions received in the form of bequests are recognized as revenue of the endowment fund in the year received since the related restriction generally prohibits the disbursement of the original capital.

Unrestricted contributions including donations, grants and government assistance are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Investments:

Investments are carried at market value and net investment income includes the realized gains and losses on the sale of the investments.

The unrealized changes in market value is separately presented within the statement of operations.

SUDBURY COMMUNITY FOUNDATION / FONDATION COMMUNAUTAIRE DE SUDBURY

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the surplus or deficit in the year in which they become known.

(e) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

(f) Cash and cash equivalents:

Cash and cash equivalents consist of cash-on-hand and term-deposits and other investments in money market instruments with current maturities.

(g) Contributed services:

The Foundation is dependent and very thankful for the many hours contributed by community volunteers. These individuals contribute countless hours per year to assist the Foundation in carrying out its mission. The fair value of these contributed services has not been recognized as revenue in these financial statements.

2. Restricted cash:

Cash is held for the externally restricted purposes dictated by the donor (note 5).

SUDBURY COMMUNITY FOUNDATION / FONDATION COMMUNAUTAIRE DE SUDBURY

Notes to Financial Statements (continued)

Year ended December 31, 2025

3. Investments:

Investments at December 31, 2025	Market Value	Cost
Cash and cash equivalents	\$ 15,977	\$ 15,977
Fixed income and preferred shares	2,318,421	2,214,486
Canadian equities	1,667,011	1,100,739
U.S. equities	1,321,282	1,048,945
International equities	848,129	750,362
Other investments	17,881	21,080
	\$ 6,188,701	\$ 5,151,589

Investments at December 31, 2024	Market Value	Cost
Cash and cash equivalents	\$ 57,614	\$ 57,614
Fixed income and preferred shares	2,101,185	1,982,938
Canadian equities	1,825,782	1,265,615
U.S. equities	800,941	546,885
International equities	782,573	612,573
Other investments	291,704	257,100
	\$ 5,859,799	\$ 4,722,725

Included in short-term investments are bonds and guaranteed investment certificates with maturity dates ranging from April to July at interest rates ranging from 3.64% to 5.42%.

4. Deferred insurance revenue:

A donor has insured four individuals and contributed the premiums to the term of the policies. The funds are included in investments and premiums will be earned as remitted.

SUDBURY COMMUNITY FOUNDATION / FONDATION COMMUNAUTAIRE DE SUDBURY

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Restricted and endowment funds:

	2025	2024
Restricted funds by purpose are as follows:		
Community service	\$ 215,177	\$ 151,377
Health and Recreation	90	95
Arts and Culture	286	301
	<u>215,553</u>	<u>151,773</u>
Endowment funds by purpose are as follows:		
Community service	4,554,786	4,174,577
Education	744,669	670,282
Health and Recreation	69,885	58,053
Environment	495,205	474,686
Arts and Culture	145,349	102,563
Children	640,180	571,033
Perpetuating Funds	108,509	98,079
Special Projects	4,505	3,996
	<u>6,763,088</u>	<u>6,153,269</u>
	<u>\$ 6,978,641</u>	<u>\$ 6,305,042</u>

6. Deferred revenue:

	2025	2024
Community Foundations of Canada	\$ 12,000	\$ –
Other	1,845	1,845
	<u>\$ 13,845</u>	<u>\$ 1,845</u>

Details of the continuity of these funds are as follows:

	2025	2024
Balance, beginning of year	\$ 1,845	\$ 39,853
Additional revenue received	12,000	1,845
Revenue recognized	–	(39,853)
Balance, end of year	<u>\$ 13,845</u>	<u>\$ 1,845</u>

SUDBURY COMMUNITY FOUNDATION / FONDATION COMMUNAUTAIRE DE SUDBURY

Notes to Financial Statements (continued)

Year ended December 31, 2025

7. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

8. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2024.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to the accounts receivable. The Foundation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(c) Market risk:

Market risk is the risk that changes in market prices and interest rates will affect the Foundation's surplus or deficit or the value of financial instruments. These risks are generally outside the control of the Foundation. The objective of the Foundation is to mitigate market risk exposures within acceptable limits, while maximizing returns. The Foundation mitigates its market risk exposure by adhering to the investment policies and objectives as approved by the Board of Directors.