

CANADIAN RUGBY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2023

UNAUDITED



Willow L. Rupert CPA, CA* Brett A. Jackson CPA, CA* Carter L. Chomyn CPA, CA* Ian A. Parry CPA*
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** denotes incorporated professional*

REVIEW ENGAGEMENT REPORT

To the Directors

We have reviewed the accompanying financial statements of Canadian Rugby Foundation that comprise the statement of financial position as at December 31, 2023 and the statements of operations, change in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in the nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on the financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Foundation derives revenue from donation and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to fundraising revenue, excess of revenue over expenses, 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 conclusion on the financial statements as at December 31, 2021 and for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Canadian Rugby Foundation as at December 31, 2023, 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.

Other Matter

Without modifying our conclusion, we draw attention to Note 2 to the financial statements, which describes that the financial statements issued on June 28, 2024 have been amended by management.

TRENTHORPE & COMPANY

Chartered Professional Accountants LLP

Victoria, British Columbia

October 19, 2024



CANADIAN RUGBY FOUNDATION
Amended Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
Current assets		
Cash	\$ 285,035	\$ 410,256
Accounts receivable	-	33,617
Goods and services tax receivable	4,090	3,818
Management fee receivable	196,276	112,675
Investments (note 5)	19,845,048	18,427,607
Prepaid expenses	15,375	15,560
	20,345,824	19,003,533
	\$ 20,345,824	\$ 19,003,533

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued liabilities	\$ 57,641	\$ 83,036
Management fee payable	196,276	112,675
Demand loan payable (note 6)	167,243	298,399
	421,160	494,110
Net assets		
Restricted funds (note 7)	19,539,006	18,526,844
Operating fund	385,658	(17,421)
	19,924,664	18,509,423
	\$ 20,345,824	\$ 19,003,533

Approved by the Directors

(see accompanying notes)

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CANADIAN RUGBY FOUNDATION
Amended Statement of Change in Net Assets
Year ended December 31, 2023

	Operating fund	Restricted funds	Total 2023	Total 2022
Net (deficit) assets, beginning of year	\$ (17,421)	\$ 18,526,844	\$ 18,509,423	\$ 18,618,851
Excess (deficiency) of revenues over expenses for the year	501,528	913,713	1,415,241	(109,428)
Transfers of grants to restricted funds	(98,449)	98,449	-	-
Net assets, end of year	\$ 385,658	\$ 19,539,006	\$ 19,924,664	\$ 18,509,423

(see accompanying notes)

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CANADIAN RUGBY FOUNDATION
Amended Statement of Operations
Year ended December 31, 2023

	Operating fund	Restricted funds	Total 2023	Total 2022
Revenue				
Donation receipts	\$ 34,197	\$ 748,446	\$ 782,643	\$ 1,187,212
Fundraising activities	16,650	-	16,650	38,750
Investment income (note 8)	74,798	786,175	860,973	898,043
Management fee (note 9)	196,276	-	196,276	112,675
Foreign exchange loss	(5,903)	(8,556)	(14,459)	-
	316,018	1,526,065	1,842,083	2,236,680
Expenses				
Administration				
Accounting and legal	38,880	-	38,880	37,426
Amortization	-	-	-	34
Bank charges and interest	1,052	-	1,052	1,496
Office and sundry	5,921	-	5,921	5,015
Subcontract	47,925	-	47,925	47,925
Telephone and utilities	539	-	539	586
Management fee (note 9)	-	196,276	196,276	112,675
	94,317	196,276	290,593	205,157
Non-administration				
Investment management	32,815	45,543	78,358	95,003
Community events	53,197	-	53,197	37,491
	86,012	45,543	131,555	132,494
Fundraising				
Fundraising activities	31,882	-	31,882	14,715
Gifts to qualified donees	19,500	1,055,920	1,075,420	528,559
Loan interest	18,110	-	18,110	16,943
Life insurance premiums	3,230	-	3,230	2,118
	72,722	1,055,920	1,128,642	562,335
	253,051	1,297,739	1,550,790	899,986
Excess of revenue over expenses before the following:				
	62,967	228,326	291,293	1,336,694
Gain (loss) in fair value of marketable securities	438,561	685,387	1,123,948	(1,446,122)
Excess (deficiency) of revenue over expenses for the year	\$ 501,528	\$ 913,713	\$ 1,415,241	\$ (109,428)

(see accompanying notes)

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CANADIAN RUGBY FOUNDATION
Amended Statement of Cash Flows
Year ended December 31, 2023

	2023	2022
Cash provided from (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 1,415,241	\$ (109,428)
Items not involving cash:		
Loss (gain) on sale of investments	102,865	(14,219)
(Gain) loss in fair value of marketable securities	(1,123,948)	1,446,122
Loss on foreign exchange	14,459	-
Amortization	-	34
Changes in non-cash operating working capital		
Change in accounts receivable	(50,256)	(131,381)
Change in prepaid expenses	185	(15,560)
Change in accounts payable	58,206	188,712
	<u>416,752</u>	<u>1,364,280</u>
Financing activities		
Repayment of demand loan payable	(131,156)	(142,452)
Investing activities		
Proceeds from sale of investments	3,405,138	5,381,665
Purchase of investments	(3,854,633)	(6,373,119)
Proceeds from return of capital	38,678	-
	<u>(410,817)</u>	<u>(991,454)</u>
(Decrease) increase in cash during the year	(125,221)	230,374
Cash, beginning of year	410,256	179,882
Cash, end of year	\$ 285,035	\$ 410,256

(see accompanying notes)

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

1. Purpose of the Organization

The Canadian Rugby Foundation was incorporated on January 1, 2002 to foster, encourage and promote the game of rugby among both genders within Canada through grants, bursaries, scholarships and awards to qualified donees including the Canadian Rugby Union.

The Foundation was registered as a charitable organization under the Income Tax Act on December 18, 2002 and, accordingly, is exempt from income taxes.

2. Other Matters

The financial statements of the foundation that comprise the statement of financial position as at December 31, 2023 and the statements of operations, change in net assets, and cash flow for the year ended December 31, 2023 were previously issued on June 28, 2024. Management has since identified misstatements requiring amendment related to the recording of management fees, the allocation of interest income between unrestricted and restricted funds and the transfer of funds between unrestricted and restricted funds have resulted in changes to the previously issued statements. The statement of financial position, the statements of operations, change in net assets, and cash flow are issued as amended to reflect these changes. The impact of the restated balances is reflected in the reconciliation of the net assets in the statement of financial position as at December 31, 2023 and statement of operations for year ended December 31, 2023 (Schedule A).

The foundation has restated the comparative financial information in the current period financial statements to reflect the retrospective corrections required upon the identification of previous material amounts related to the recording of management fees.

The impact of the restated balances is reflected in the reconciliation of net assets on the statement of financial position as at December 31, 2022 and statement of operations for the year ended December 31, 2022 (Schedule B).

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

Schedule A

Reconciliation of net assets in the statement of financial position as at December 31, 2023

	Financial position as at December 31, 2023, based on previous financial statements	Changes in net assets for amounts related to the 2022 adjustment per Schedule B	Changes in net assets for material amounts related to the recording of management fees	Changes in net assets for change in investment income allocations	Changes in net assets for transfers between operating and restricted funds	Financial position as at December 31, 2023
ASSETS						
CURRENT ASSETS						
Cash	285,035	-	-	-	-	285,035
Accounts receivable	-	-	-	-	-	-
Management fees receivable	-	-	196,276	-	-	196,276
Goods and services tax receivable	4,090	-	-	-	-	4,090
Investments	19,845,048	-	-	-	-	19,845,048
Prepaid expenses	15,375	-	-	-	-	15,375
TOTAL ASSETS	20,149,548	-	196,276	-	-	20,345,824

LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	57,641	-	-	-	-	57,641
Management fees payable	-	-	196,276	-	-	196,276
Demand loan payable	167,243	-	-	-	-	167,243
	224,884	-	196,276	-	-	421,160
NET ASSETS						
Restricted funds	19,975,383	(112,675)	(196,276)	(130,508)	3,082	19,539,006
Operating fund	(50,719)	112,675	196,276	130,508	(3,082)	385,658
	19,924,664	-	-	-	-	19,924,664
TOTAL LIABILITIES AND NET ASSETS	20,149,548	-	196,276	-	-	20,345,824

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

Schedule A - Continued

Reconciliation of net assets in the statement of financial position as at December 31, 2023

Operating fund

	Statement of operations for the year ended December 31, 2023, based on previous financial statements - Operating fund	Change in net assets	Statement of operations for the year ended December 31, 2023 - Operating fund
Revenue	(10,766)	326,784	316,018
Expenses - Administration	94,317	-	94,317
Expenses - Non- Administration	86,012	-	86,012
Expenses - Fundraising	72,722	-	72,722
(Deficiency) excess of revenue over expenses before the following	(263,817)	326,784	62,967
Gain in fair market value of investments	438,561	-	438,561
Excess of revenue over expenses for the year	174,744	326,784	501,528

Excess of revenue over expenses for December 31, 2023 based on previous financial statements	174,744
Change in results	
Management fee revenue	196,276
Investment income	130,508
	326,784
Excess of revenue over expenses for December 31, 2023	501,528

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CANADIAN RUGBY FOUNDATION**Notes to the Financial Statements****December 31, 2023****Schedule A - Continued****Reconciliation of net assets in the statement of financial position as at December 31, 2023****Restricted funds**

	Statement of operations for the year ended December 31, 2023, based on previous financial statements - Restricted funds	Change in net assets	Statement of operations for the year ended December 31, 2023 - Restricted funds
Revenue	1,656,573	(130,508)	1,526,065
Expenses - Administration	-	196,276	196,276
Expenses - Non- Administration	45,543	-	45,543
Expenses - Fundraising	1,055,920	-	1,055,920
Excess (deficiency) of revenue over expenses before the following	555,110	(326,784)	228,326
Gain in fair market value of investments	685,387	-	685,387
Excess (deficiency) of revenue over expenses for the year	1,240,497	(326,784)	913,713

Excess of revenue over expenses for December 31, 2023 based on previous financial statements	1,240,497
Change in results	
Investment income	(130,508)
Management fee expense	(196,276)
	(326,784)
Excess of revenue over expenses for December 31, 2023	913,713

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CANADIAN RUGBY FOUNDATION**Notes to the Financial Statements****December 31, 2023****Schedule B****Reconciliation of net assets in the statement of financial position as at December 31, 2022**

	Financial position as at December 31, 2022, based on previous financial statements	Changes in net assets for previous material amounts related to the recording of management fees	Financial position as at December 31, 2022
ASSETS			
CURRENT ASSETS			
Cash	410,256	-	410,256
Accounts receivable	33,617	-	33,617
Management fees receivable	-	112,675	112,675
Goods and services tax receivable	3,818	-	3,818
Investments	18,427,607	-	18,427,607
Prepaid expenses	15,560	-	15,560
TOTAL ASSETS	18,890,858	112,675	19,003,533

LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	83,036	-	83,036
Management fees payable	-	112,675	112,675
Demand loan payable	298,399	-	298,399
	381,435	112,675	494,110
NET ASSETS			
Restricted funds	18,639,519	(112,675)	18,526,844
Operating fund	(130,096)	112,675	(17,421)
TOTAL LIABILITIES AND NET ASSETS	18,509,423	-	18,509,423
	18,890,858	112,675	19,003,533

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

Schedule B - Continued

Reconciliation of net assets in the statement of financial position as at December 31, 2022

Operating fund

	Statement of operations for the year ended December 31, 2022, based on previous financial statements - Operating fund	Change in net assets	Statement of operations for the year ended December 31, 2022 - Operating fund
Revenue	210,915	112,675	323,590
Expenses - Administration	92,482	-	92,482
Expenses - Non- Administration	74,183	-	74,183
Expenses - Fundraising	128,347	-	128,347
(Deficiency) excess of revenue over expenses before the following	(84,097)	112,675	28,578
(Loss) in fair market value of investments	(705,147)	-	(705,147)
(Deficiency) excess of revenue over expenses for the year	(789,244)	112,675	(676,569)

(Deficiency) of revenue over expenses for December 31, 2022 based on previous financial statements	(789,244)
Change in results	
Management fee revenue	112,675
(Deficiency) of revenue over expenses for December 31, 2022	(676,569)

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CANADIAN RUGBY FOUNDATION**Notes to the Financial Statements****December 31, 2023****Schedule B - Continued****Reconciliation of net assets in the statement of financial position as at December 31, 2022****Restricted funds**

	Statement of operations for the year ended December 31, 2022, based on previous financial statements - Restricted funds	Change in net assets	Statement of operations for the year ended December 31, 2022 - Restricted funds
Revenue	1,913,090	-	1,913,090
Expenses - Administration	-	112,675	112,675
Expenses - Non- Administration	58,311	-	58,311
Expenses - Fundraising	433,988	-	433,988
Excess (deficiency) of revenue over expenses before the following	1,420,791	(112,675)	1,308,116
(Loss) in fair market value of investments	(740,975)	-	(740,975)
Excess (deficiency) of revenue over expenses for the year	679,816	(112,675)	567,141

Excess of revenue over expenses for December 31, 2022 based on previous financial statements	679,816
Change in results	
Management fee expense	(112,675)
Excess of revenue over expenses for December 31, 2022	567,141

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

3. Accounting policies

The Foundation applies the Canadian accounting standards for not-for-profit organizations.

A summary of significant accounting policies is presented below to assist the reader in evaluating the Foundation's financial statements:

Revenue

The Foundation follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions in-kind are recognized at fair value at the date of contributions, if determinable.

Investment income includes interest, foreign investment income, dividends, capital dividends and realized capital gains and losses, earned on the Operating and Restricted Funds.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided. The financial statements include the following funds:

Operating fund

The Operating Fund accounts for the Foundation's operational and administrative activities. The Operating Fund reports unrestricted resources available for immediate purposes. The Foundation's investments in tangible capital assets are also included in the Operating Fund.

Restricted funds

The Restricted funds consist of various funds for which long term donations have been made for specific purposes. The donations made to these restricted funds are considered to be gifts of enduring property as the donations are subject to written direction that the Foundation hold these gifts for a period of at least ten years. These donations are considered to be externally restricted.

The restricted funds also include internally restricted allocations of grants which are allocated by the foundation based on specific criteria governing each fund.

The balance sheet presents the combined assets and liabilities of all funds.

Contributed goods and services

Contributed assets, which are transferred to the Foundation, are recognized at their fair market value in the financial statements at the time of acceptance by the Foundation, if determinable.

Volunteers and other organizations have contributed significant time and resources to assist the foundation in carrying out its programs and activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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CANADIAN RUGBY FOUNDATION
Notes to the Financial Statements
December 31, 2023

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

3. Accounting policies (continued)

Financial instruments

The Foundation's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. The foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized costs, except for cash and marketable securities.

Investments consist of money market investments, mutual fund trust units and limited partnership investments. The measurement of fair value is determined by published price quotations in an active market. Net gains and losses arising from changes in fair value are recognized in the revenue and expenses of the Operating and Restricted Funds for the year.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of estimates include accrued liabilities. Actual results could differ from these estimates.

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

4. Financial risks and concentration of risk

The foundation actively manages the risks that arise from its use of financial instruments, including liquidity, credit, market, currency and interest rate risk. The Foundation does not utilize derivatives or other off-balance sheet instruments, nor does the Foundation engage in hedging transactions.

Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to fulfil its obligations on a timely basis or at a reasonable cost. A key liquidity requirement for the Foundation is grant commitments and monitoring its operating requirements. Liquidity risk is managed by investing the majority of the Foundation's assets in investments that are traded in an active market and can be readily liquidated and by monitoring its operating requirements. In addition, the Foundation aims to retain sufficient cash positions to maintain liquidity. The Foundation's investments are considered readily realizable and liquid, in management's opinion the Foundation's liquidity risk is considered minimal. There has been no change to the risk exposures from 2022.

Credit risk

Credit risk is the potential for a financial loss should a counter party in a transactions fail to meet its obligations. The Foundation's investments in short-term investments, bonds and debentures are subject to credit risk. The maximum exposure to credit risk on these financial instruments is their carrying values.

Market risk

Returns on the Foundation's investments are subject to risk factors specific to general economic conditions. The market value presents the Foundation's maximum exposure to market risk. The Foundation reduces this risk through the use of an external investment manager that invests in a diversified portfolio.

Currency risk

The Foundation is subject to fluctuations in the value of the Canadian dollar relative to the U.S. dollar in the normal course of activities. A portion of investments is held in U.S. dollars, so fluctuations in the exchange rate may affect financial results when converted to the Foundation's functional currency. The Foundation's risk is limited to the fair market value of U.S. dollars reported in the functional currency of \$839,847 (2022 - \$37,083).

Interest rate risk

The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Foundation is exposed to this type of risk as a result of investments in short-term investments, bonds and money market funds. The risk associated with investments is managed by the external investment manager. The Foundation's exposure to interest rate risk is also linked to its demand loan payable which carries an interest rate linked to the prime rate, and must be renewed from time to time.

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

5. Investments

Investments are managed on a discretionary basis by Leith Wheeler Investment Counsel Ltd. and are reported at market value. The asset allocations at year end are as follows.

	2023	2022
Fixed income investments	\$ 5,950,984	\$ 5,932,947
Equity investments	13,894,064	12,494,660
Fair market value of investments	\$ 19,845,048	\$ 18,427,607

6. Demand loan payable

	2023	2022
CIBC Loan Facility of \$1,500,000 repayable on demand, until demand interest is payable at prime rate plus 0.50% monthly	\$ 167,243	\$ 298,399

Payment terms of the demand loan payable on the final advance of the facility are 120 blended interest and principal payments of \$15,000 per month, with any outstanding balance due at the end of the 120 month term.

The demand loan is backed by a general security agreement and a securities pledge that pledges the securities held in an account maintained by Leith Wheeler Investment Counsel Ltd. limited to an amount of \$4,000,000. The fair market value of the securities pledged at December 31, 2023 is \$7,160,120.

Loan proceeds have been advanced based on pledges made by donors.

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2023

7. Restricted funds

Restricted funds are managed under two separate programs.

The first program manages 72 dedicated funds that have been established by various donors in support of scholarships, programs and clubs. The funds are eligible to receive up to \$20,000 in matching funds from the Foundation and are allocated investment income at a targeted rate of return of 3.5% annually. Representatives of the funds may determine if annual returns are re-invested or distributed. No distributions are made until the fund reaches \$25,000 or \$10,000 for scholarships. Capital can be withdrawn for capital projects at a rate of up to 50% of contributions or upon agreement with the board of directors of the Foundation in special circumstances.

Contributions made by donors to these funds are externally restricted by a representative of the fund. The allocation of grants and investment income to these funds is an internal restriction resulting from allocations approved by the Foundation.

The second program manages 5 specific funds that have been established as their own investment accounts managed within the foundation for a minimum term of 25 years. These funds must retain minimum value of \$1 Million to allow for all investment income, capital appreciation and changes in market value to be allocated directly to these funds and are subject to an administration and general fee ranging from 1% to 1.7% annually payable to the operating fund. If the minimum values are not met, the funds will receive an investment income allocation of 3.5% on the first \$100,000 and 4% on amounts exceeding \$100,000 and is no longer subject to the administration and general fee.

Annual distributions of income are allowed and requests to withdraw capital can be made to fund capital projects based on the agreements of each fund. Contributions made by donors to these funds are externally restricted by a representative of the fund.

Included in the Foundation's total net assets are both types of restricted funds in the fund balances which are comprised of the following transactions in the year.

	2023	2022
Opening balance	\$ 18,526,844	\$ 17,816,887
Increases		
Restricted donations received	748,446	1,161,275
Internally restricted investment income allocated	786,175	751,815
Internally restricted grants allocated	98,449	142,816
Change in fair market value	685,387	-
Decreases		
Fund distributions	(1,055,920)	(433,988)
Management fee	(196,276)	(112,675)
Change in fair market value	-	(740,975)
Investment management fees	(45,543)	(58,311)
Foreign exchange loss	(8,556)	-
Closing balance	\$ 19,539,006	\$ 18,526,844

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CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

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8. Investment income

Investment income is comprised of the following:

	2023	2022
Dividend income	\$ 125,065	\$ 127,233
Foreign investment income	317,482	265,057
Interest income	215,489	156,373
Capital gain dividends	317,959	335,161
(Loss) Gain on the sale of securities	(102,865)	14,219
Less: Foreign taxes paid	(12,157)	-
	\$ 860,973	\$ 898,043

9. Management fee

The Foundation charges a management fee on 5 specific funds that have been established as their own investment accounts. These funds must retain minimum value of \$1 Million to allow for all investment income, capital appreciation and changes in market value to be allocated directly to these funds and are subject to an administration and general management fee ranging from 1% to 1.7% annually, payable to the operating fund. If the minimum values are not met, the funds will receive an investment income allocation of 3.5% on the first \$100,000 and 4% on amounts exceeding \$100,000 and is no longer subject to the administration and general management fee equal to the percentage of the December 31st balance for each of the investment portfolios. The administration and general management fee for 2023 was 1.70% (2022 - 1.00%) resulting in a fee of \$196,276 (2022 - \$112,675).

10. Life insurance policies

The Foundation is the owner and beneficiary of four life insurance policies with face amounts totaling \$450,000 (2022 - \$450,000).

During the year, the Foundation did not receive any payouts on these life insurance policies (2022 - no payouts).

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