

CANADIAN RUGBY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2024

UNAUDITED





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, 2024 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, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at the beginning and the end of the years ended December 31, 2024 and 2023. Our conclusion on the financial statements as at December 31, 2024 and for the year ended December 31, 2024 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, 2024, 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.

TRENTHAM & COMPANY

Chartered Professional Accountants LLP

Victoria, British Columbia
August 13, 2025



CANADIAN RUGBY FOUNDATION
Statement of Financial Position
December 31, 2024

	Operating fund	Restricted funds	2024 Total	2023 Total
ASSETS				
Current assets				
Cash	\$ 10,322	\$ 336,208	\$ 346,530	\$ 285,035
Goods and services taxes receivable	3,323	-	3,323	4,090
Investments (note 1)	832,993	21,329,898	22,162,891	19,845,048
Prepaid expenses	15,750	-	15,750	15,375
Management fee receivable	205,129	-	205,129	196,276
	1,067,517	21,666,106	22,733,623	20,345,824
	\$ 1,067,517	\$ 21,666,106	\$ 22,733,623	\$ 20,345,824

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities	\$ 64,712	\$ 69,500	\$ 134,212	\$ 57,641
Management fee payable	-	205,129	205,129	196,276
Demand loan payable (note 5)	-	73,383	73,383	167,243
	64,712	348,012	412,724	421,160

Net assets

Restricted funds (note 6)	-	21,318,094	21,318,094	19,539,006
Operating fund	1,002,805	-	1,002,805	385,658
	1,002,805	21,318,094	22,320,899	19,924,664
	\$ 1,067,517	\$ 21,666,106	\$ 22,733,623	\$ 20,345,824

Approved by the Directors

(see accompanying notes)

UNAUDITED



CANADIAN RUGBY FOUNDATION**Statement of Change in Net Assets****Year ended December 31, 2024**

	Operating fund	Restricted funds	Total 2024	Total 2023
Net assets, beginning of year	\$ 385,658	\$ 19,539,006	\$ 19,924,664	\$ 18,509,423
Excess of revenues over expenses for the year	754,818	1,641,417	2,396,235	1,415,241
Transfers of grants to restricted funds	(137,671)	137,671	-	-
Net assets, end of year	\$ 1,002,805	\$ 21,318,094	\$ 22,320,899	\$ 19,924,664

(see accompanying notes)

UNAUDITED

CANADIAN RUGBY FOUNDATION

Statement of Operations

Year ended December 31, 2024

	Operating fund	Restricted funds	Total 2024	Total 2023
Revenue				
Donation receipts	\$ 52,935	\$ 1,115,490	\$ 1,168,425	\$ 782,643
Fundraising activities	21,885	-	21,885	16,650
Investment income (note 8)	261,483	1,122,550	1,384,033	860,973
Management fee (note 9)	205,129	-	205,129	196,276
Foreign exchange loss	-	-	-	(14,459)
	541,432	2,238,040	2,779,472	1,842,083
Expenses				
Administration				
Accounting and legal	47,271	-	47,271	38,880
Bank charges and interest	1,264	-	1,264	1,052
Office and sundry	4,591	-	4,591	5,921
Subcontract	56,949	-	56,949	47,925
Telephone and utilities	498	-	498	539
Management fee (note 9)	-	205,129	205,129	196,276
	110,573	205,129	315,702	290,593
Non-administration				
Investment management	43,264	70,588	113,852	78,358
Community events	-	-	-	53,197
	43,264	70,588	113,852	131,555
Fundraising				
Fundraising activities	27,263	-	27,263	31,882
Gifts to qualified donees	142,310	1,080,628	1,222,938	1,075,420
Loan interest	10,964	-	10,964	18,110
Life insurance premiums	2,118	-	2,118	3,230
	182,655	1,080,628	1,263,283	1,128,642
	336,492	1,356,345	1,692,837	1,550,790
Excess of revenue over expenses before the following:				
	204,940	881,695	1,086,635	291,293
Gain in fair value of marketable securities	549,878	759,722	1,309,600	1,123,948
Excess of revenue over expenses for the year				
	\$ 754,818	\$ 1,641,417	\$ 2,396,235	\$ 1,415,241

(see accompanying notes)

UNAUDITED



CANADIAN RUGBY FOUNDATION**Statement of Cash Flows****Year ended December 31, 2024**

	2024	2023
Cash provided from (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 2,396,235	\$ 1,415,241
Items not involving cash:		
(Gain) loss on sale of investments	(580,251)	102,865
(Gain) in fair value of marketable securities	(1,309,600)	(1,123,948)
Loss on foreign exchange	-	14,459
Change in accounts receivable	(8,086)	(50,256)
Change in prepaid expenses	(375)	185
Change in accounts payable	85,424	58,206
	583,347	416,752
Financing activities		
Repayment of demand loan payable	(93,859)	(131,156)
Investing activities		
Proceeds from sale of investments	12,634,019	3,405,138
Purchase of investments	(13,096,403)	(3,854,633)
Proceeds from return of capital	34,391	38,678
	(427,993)	(410,817)
Increase (decrease) in cash during the year	61,495	(125,221)
Cash, beginning of year	285,035	410,256
Cash, end of year	\$ 346,530	\$ 285,035

(see accompanying notes)

UNAUDITED

CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2024

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. 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:

Cash

Cash includes cash on deposit net of deposits made and cheques issued that are outstanding at the reporting date.

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.

UNAUDITED



CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2024

2. Accounting policies (continued)

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.

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.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the item using the declining balance method.

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 accounts receivable and accrued liabilities. Actual results could differ from these estimates.

UNAUDITED



CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2024

3. 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 2023.

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 \$1,974,674 (2023 - \$839,847).

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.

UNAUDITED



CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2024

4. 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.

	2024	2023
Fixed income investments	\$ 6,404,430	\$ 5,950,984
Equity investments	15,758,461	13,894,064
Fair market value of investments	\$ 22,162,891	\$ 19,845,048

5. Demand loan payable

	2024	2023
CIBC Loan		
Facility of \$1,500,000 repayable on demand, until demand interest is payable at prime rate plus 0.50% monthly	\$ 73,383	\$ 167,243

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, 2024 is \$9,761,764..

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

UNAUDITED



CANADIAN RUGBY FOUNDATION

Notes to the Financial Statements

December 31, 2024

6. Restricted funds

Restricted funds are managed under two separate programs.

The first program manages 82 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.

	2024	2023
Opening balance	\$ 19,539,006	\$ 18,526,844
Increases		
Restricted donations received	1,115,490	748,446
Internally restricted investment income allocated	1,122,550	786,175
Internally restricted grants allocated	137,671	98,449
Change in fair market value	759,722	685,387
Decreases		
Fund distributions	(1,080,628)	(1,055,920)
Management fee	(205,129)	(196,276)
Investment management fees	(70,588)	(45,543)
Foreign exchange (loss)	-	(8,556)
Closing balance	\$ 21,318,094	\$ 19,539,006

UNAUDITED



CANADIAN RUGBY FOUNDATION
Notes to the Financial Statements
December 31, 2024

7. Investment income

Investment income is comprised of the following:

	2024	2023
Dividend income	\$ 132,625	\$ 125,065
Foreign investment income	325,521	317,482
Interest income	298,563	215,489
Capital gain dividends	76,227	317,959
Gain (loss) on the sale of securities	580,252	(102,865)
Less: Foreign taxes paid	(29,155)	(12,157)
	\$ 1,384,033	\$ 860,973

8. Life insurance policies

The Foundation is the owner and beneficiary of four life insurance policies with face amounts totaling \$450,000 (2023 - \$450,000).

During the year, the Foundation did not receive any payouts on these life insurance policies (2023 - no payouts).

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