

Myriad Canada Foundation
(formerly known as KBF Foundation Canada)

Financial Statements
December 31, 2024

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Independent Auditor's Report

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To the Directors of
Myriad Canada Foundation

Opinion

We have audited the financial statements of Myriad Canada Foundation (hereafter "the Foundation"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to 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, 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.

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.

Raymond Cholet Grant Thornton LLP¹

Montréal
May 16, 2025

¹ CPA auditor, public accountancy permit no. A117472

Myriad Canada Foundation

Operations

Year ended December 31, 2024

	2024	2023
	\$	\$
Revenues		
Contributions		
Donations for projects (Notes 3 and 8)	19,604,325	10,792,823
Interest and dividend	770,798	741,970
	<u>20,375,123</u>	<u>11,534,793</u>
Expenses		
Donations and related expenses	18,884,228	10,225,299
Salaries and benefits	766,123	595,339
Publications and communication materials	26,797	9,888
Office rental expense	62,980	42,831
Professional services – legal	54,148	39,724
Professional services – accounting and audit	57,845	87,524
Professional services – consultant	91,928	51,144
Investment management fees	71,404	53,449
Travel and conferences	57,950	33,625
Board meetings	13,624	18,955
Office supplies, postage and freight	15,581	10,657
IT expenses	1,963	830
Telecommunications	3,912	5,156
Memberships and subscriptions	7,103	2,137
Insurance	2,439	2,242
Bank charges	9,039	11,060
Amortization of tangible capital assets	734	442
Amortization of intangible capital assets	48,334	33,513
	<u>20,176,132</u>	<u>11,223,815</u>
Excess of revenues over expenses before other revenues (expenses)	<u>198,991</u>	<u>310,978</u>
Other revenues (expenses)		
Changes in fair value of investments	1,081,535	1,146,074
Exchange gain (loss)	188,080	(65,400)
	<u>1,269,615</u>	<u>1,080,674</u>
Excess of revenues over expenses	<u><u>1,468,606</u></u>	<u><u>1,391,652</u></u>

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

Myriad Canada Foundation

Changes in Net Assets

Year ended December 31, 2024

	2024				2023
	Received for endowment purposes	Invested in capital assets	Unrestricted	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	993,000	127,694	2,070,172	3,190,866	1,799,214
Excess (deficiency) of revenues over expenses		(49,068)	1,517,674	1,468,606	1,391,652
Investment in capital assets		75,051	(75,051)		
Balance, end of year	993,000	153,677	3,512,795	4,659,472	3,190,866

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

Myriad Canada Foundation

Cash Flows

Year ended December 31, 2024

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	1,468,606	1,391,652
Non-cash items		
Amortization of tangible capital assets	734	442
Amortization of intangible capital assets	48,334	33,513
Exchange loss (gain)	(188,080)	65,400
Changes in fair value of investments	(1,081,535)	(1,146,074)
	248,059	344,933
Net change in working capital items and deferred contributions and restricted investment income	3,081,013	8,444,112
Cash flows from operating activities	3,329,072	8,789,045
INVESTING ACTIVITIES		
Investments	(202,581,299)	(113,274,449)
Disposal of investments	197,544,830	107,910,929
Tangible capital assets	(11,324)	
Intangible capital assets	(63,727)	(82,686)
Cash flows from investing activities	(5,111,520)	(5,446,206)
Net increase (decrease) in cash	(1,782,448)	3,342,839
Cash, beginning of year	7,802,631	4,459,792
Cash, end of year	6,020,183	7,802,631

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

Myriad Canada Foundation

Financial Position

December 31, 2024

	2024	2023
	\$	\$
ASSETS		
Current		
Cash	6,020,183	7,802,631
Sales taxes receivable	44,439	12,452
Prepaid expenses	23,628	15,313
Current portion of investments	181,772	3,277,401
	<u>6,270,022</u>	<u>11,107,797</u>
Long-term		
Investments (Note 4)	39,074,553	29,672,840
Work of art	44,000	44,000
Tangible capital assets (Note 5)	12,141	1,569
Intangible capital assets (Note 6)	141,536	126,125
	<u>45,542,252</u>	<u>40,952,331</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	191,204	139,579
Deferred contributions and restricted investment income (Note 8)	40,691,576	37,621,886
	<u>40,882,780</u>	<u>37,761,465</u>
NET ASSETS		
Received for endowment purposes	993,000	993,000
Invested in capital assets	153,677	127,694
Unrestricted	3,512,795	2,070,172
	<u>4,659,472</u>	<u>3,190,866</u>
	<u>45,542,252</u>	<u>40,952,331</u>

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

On behalf of the Board,

Director

Director

Myriad Canada Foundation

Notes to Financial Statements

December 31, 2024

1 - GOVERNING STATUTES AND PURPOSES OF THE FOUNDATION

The Foundation was incorporated under the *Canada Not-for-profit Corporations Act* and is dedicated to promoting education, literature and scientific research, as well as contributing to the fight against poverty and the defence of human rights. It is a registered charity under the *Income Tax Act*.

During the year, the Foundation obtained the authorization to change its corporate name from KBF Foundation Canada to Myriad Canada.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Foundation's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Foundation may undertake in the future. Actual results may differ from these estimates.

Revenue recognition

Contributions

The Foundation follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are reported as direct increases in net assets.

Investment and interest

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Interest income is recognized on a time apportionment basis, whereas dividend income is recognized when it is acquired by the Foundation. Changes in fair value are recognized when they occur.

Investment income that is not subject to externally imposed restrictions is recognized in the statement of operations under Interest and dividend.

Investment income subject to externally imposed restrictions is recognized as restricted investment income.

Myriad Canada Foundation
Notes to Financial Statements
December 31, 2024

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Foundation’s financial assets and liabilities from transactions not concluded with related parties are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Foundation’s financial assets and liabilities from related party transactions are measured at cost.

Subsequent measurement

At each reporting date, the Foundation measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets), except for mutual fund investments which are measured at fair value and bond investments which the Foundation has elected to measure at fair value by designating that fair value measurement shall apply.

With respect to financial assets measured at amortized cost or using the cost method, the Foundation assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Foundation determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

Tangible and intangible capital assets

Tangible and intangible capital assets acquired are recorded at cost. When the Foundation receives contributions of tangible and intangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible and intangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

Amortization

Tangible and intangible capital assets are amortized over their estimated useful lives according to the following methods, rates and periods:

	<u>Methods</u>	<u>Periods</u>
Computer equipment	Straight-line basis	5 years
Database	Declining	30%
Website	Straight-line basis	3 years

Myriad Canada Foundation

Notes to Financial Statements

December 31, 2024

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Write-down

When conditions indicate that a tangible or intangible capital asset is impaired, the net carrying amount of the tangible or intangible capital asset is written down to the tangible or intangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

Cloud computing arrangements

To recognize the costs related to such arrangements, which are included in the scope of Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements, of Part II of the *CPA Canada Handbook – Accounting*, the Foundation has elected not to apply the simplification approach and, therefore, must assess if the software element of the arrangement is a software intangible asset or a software as a service (SaaS).

When the software element of the cloud computing arrangement is not a software intangible asset, the Foundation regards it as an SaaS and recognizes the related costs as expenses as incurred. The Foundation elects to capitalize as an asset for SaaS implementation activities any costs related to implementation activities directly attributable to preparing the SaaS for its intended use as a separate item identified as such on the statement of financial position, and to recognize such costs as expenses on a declining balance basis over the expected term of access to the SaaS. The database is therefore amortized according to the declining balance method at a rate of 30% and is tested for impairment using the Foundation's long-term asset impairment method. The database is classified as a long-term asset, unless, when the cloud computing arrangement is entered into, the prescribed period of access to the SaaS is less than a year. The costs related to implementation activities that are not directly attributable to preparing the SaaS are recognized as expenses as incurred.

Foreign currency translation

The Foundation uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the date of the statement of financial position. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the date of the statement of financial position. Revenue and expenses are translated at the average rate for the period. The related exchange gains and losses are accounted for in operations for the year.

3 - DONATIONS

	2024	2023
	\$	\$
Individuals	4,210,887	2,256,656
Businesses	2,862,729	724,465
Not-for-profit organizations	12,530,709	7,811,702
	19,604,325	10,792,823

Myriad Canada Foundation

Notes to Financial Statements

December 31, 2024

4 - INVESTMENTS

	2024	2023
	\$	\$
American bonds	17,940,623	15,417,923
Canadian bonds	6,601,275	4,325,589
Mutual funds		
Money market	176,040	152,467
Bonds	4,779,255	4,296,790
Canadian equity	3,359,423	2,938,171
Global equity	5,170,889	4,714,707
Global balanced	1,228,820	1,104,594
	39,256,325	32,950,241
Current portion of investments	181,772	3,277,401
	<u>39,074,553</u>	<u>29,672,840</u>

5 - TANGIBLE CAPITAL ASSETS

	2024		2023
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Computer equipment	14,376	2,235	12,141
			1,569

6 - INTANGIBLE CAPITAL ASSETS

	2024			2023
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Database	242,332	110,203	132,129	111,910
Website	46,453	37,046	9,407	14,215
	288,785	147,249	141,536	126,125

7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Accounts payable	72,948	76,953
Accrued liabilities	118,256	62,626
	<u>191,204</u>	<u>139,579</u>

Myriad Canada Foundation

Notes to Financial Statements

December 31, 2024

8 - DEFERRED CONTRIBUTIONS AND RESTRICTED INVESTMENT INCOME (Continued)

	<u>2024</u>	<u>2023</u>
	\$	\$
Restricted investment income		
Investment income on donations received for endowment purposes restricted for bursaries		
Balance, beginning of year	161,622	38,786
Investment income	172,195	159,347
Contributions recognized in operations for projects	(19,941)	(24,689)
Contributions recognized in operations for investment managing fees	(6,125)	(4,822)
Contributions recognized in operations for management fees (b)	(7,000)	(7,000)
Balance, end of year	<u>300,751</u>	<u>161,622</u>
Deferred contributions and restricted investment income	<u><u>40,691,576</u></u>	<u><u>37,621,886</u></u>

Deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover project or administrative expenses for the coming year.

- (a) Contributions received for the year total \$19,992,344 (\$18,939,841 in 2023).
- (b) Management fees for the year total \$718,698 (\$562,525 in 2023).
- (c) The King Baudouin Foundation, whose purpose is to contribute to a better society, exercises control over the Foundation and grants financial support to the Foundation.

In 2021, King Baudouin Foundation donated an amount of \$11,000,000 to the Foundation. These funds must be held, managed and invested distinctly from all other funds of the Foundation. The Board of Directors of the Foundation may annually allocate amounts for expenditures from the capital and any or all of the income from investments of these funds.

The agreement was signed on November 15, 2021 for a six-year term and will be automatically renewed for successive renewal terms of six years each. The agreement can be terminated by King Baudouin Foundation with a six-month written notice prior to the end of the initial term or any such renewal term. In the event of a termination of this agreement, the Foundation shall return within 30 days of the date of termination the lesser of:

- (i) the principal contributed to the Foundation of \$11,000,000;
- (ii) the balance of the funds on the effective date of termination.

Myriad Canada Foundation

Notes to Financial Statements

December 31, 2024

9 - FINANCIAL RISKS

Credit risk

Investments in bonds expose the Foundation to credit risk, while mutual fund investments indirectly expose the Foundation to credit risk.

Market risk

The Foundation's financial instruments expose it to market risk, in particular, to currency risk, interest rate risk and other price risk, resulting from both its operating and investing activities.

Currency risk

The majority of the Foundation's transactions are in Canadian dollars. Currency risk results from the Foundation's donations and expenses in U.S. dollars and euros. As at December 31, 2024, the Foundation is exposed to currency risk due to cash and American bonds denominated in U.S. dollars totalling \$22,264,155 (\$23,262,569 as at December 31, 2023) and cash denominated in euros totalling \$681,586 (\$827,949 as at December 31, 2023).

Interest risk

The Foundation is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

The bond investments bear interest at a fixed rate and the Foundation is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Mutual fund investments indirectly expose the Foundation to interest rate risk.

Other price risk

The Foundation is exposed to other price risk due to mutual fund investments since changes in market prices could result in changes in fair value of these instruments.

Liquidity risk

The Foundation's liquidity risk represents the risk that the Foundation could encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

10 - COMMITMENT

The Foundation has entered into a long-term lease agreement expiring on April 20, 2027 which calls for lease payments of \$153,379 for the rental of office space. Minimum lease payments for the next years are \$64,575 in 2025, \$66,189 in 2026 and \$22,615 in 2027. The lease contains a renewal option which the Foundation may exercise by giving a ninety-day notice.

Myriad Canada Foundation

Notes to Financial Statements

December 31, 2024

11 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

The main reclassification, as at December 31, 2023 and for the year then ended, is regarding the deferred contributions and restricted investment income balance totalling \$4,376,599 (\$10,330,906 in 2023).