Financial Statements of

ABUNDANCE CANADA

And Independent Auditor’s Report thereon

Year ended January 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Abundance Canada

Opinion

We have audited the financial statements of Abundance Canada (the Organization), which comprise:

- the statement of financial position as at January 31, 2025;
- the statement of operations for the year then ended;
- the statement of 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 Organization as at January 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.

Other Matter – Comparative Information

The comparative information as at and for the year ended January 31, 2024 is unaudited. Accordingly, we do not express an opinion on it.

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.

- 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.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

July 20, 2026

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Statement of Financial Position

January 31, 2025, with comparative information for 2024

		2025		2024
				(Unaudited)
				(Restated - note 3)

Assets

Current assets:				
Cash	$	7,764,778	$	5,451,414
Investment income receivable		693,159		773,918
Other assets (note 4)		179,535		135,539
		8,637,472		6,360,871
Investments (note 5)		268,501,303		253,594,421
Cash surrender value of life insurance (note 6)		1,849,974		1,624,575
Capital assets (note 7)		853,487		404,151
	$	279,842,236	$	261,984,018

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilties (note 8)	$	304,446	$	345,712
Managed Trust Funds (note 9)		31,075,808		34,529,904
		31,380,254		34,875,616
Fund balances:				
Capital assets (note 7)		853,487		404,151
Endowments (note 10)		13,022,958		12,820,692
Internally restricted (note 10)		236,652,542		226,229,299
Operating		(2,067,005)		(12,345,740)
		248,461,982		227,108,402
Commitments and contingencies (notes 10(b) and 11)				
	$	279,842,236	$	261,984,018

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

Approved by the Board:

J Thompson _______________ Director _______________ Director

ABUNDANCE CANADA

Statement of Operations

Year ended January 31, 2025

	2025				
	Internally restricted	Endowments	Capital assets	Operating	Total
Revenue:					
Gifts from donors	$ 60,157,963	$ 118,354	$ –	$ –	$ 60,276,317
Realized/unrealized gains on investments	20,474,273	315,357	–	3,346,065	24,135,695
Investment income	5,181,618	315,050	–	269,913	5,766,581
Change in cash surrender value of life insurance	225,399	–	–	–	225,399
Investment management fees	–	–	–	2,827,019	2,827,019
Administration fees	–	–	–	1,287,394	1,287,394
	86,039,253	748,761	–	7,730,391	94,518,405
Expenditures:					
Disbursements to charities	65,185,938	193,651	–	–	65,379,589
Investment management fees	3,111,971	161,248	–	–	3,273,219
Administration (Schedule 1)	–	–	75,505	4,746,285	4,821,790
Other	391,427	–	–	–	391,427
	68,689,336	354,899	75,505	4,746,285	73,866,025
Excess (deficiency) of revenue over expenditures	$ 17,349,917	$ 393,862	$ (75,505)	$ 2,984,106	$ 20,652,380

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

ABUNDANCE CANADA

Statement of Operations

Year ended January 31, 2024 (Unaudited)

	2024				
	Internally restricted	Endowments	Capital assets	Operating	Total
					(Restated - note 3)
Revenue:					
Gifts from donors	$ 83,102,863	$ –	$ –	$ –	$ 83,102,863
Realized/unrealized gains on investments	3,447,473	242,871	–	304,459	3,994,803
Investment income	4,080,120	259,256	–	538,765	4,878,141
Change in cash surrender value of life insurance	(40,586)	–	–	–	(40,586)
Investment management fees	–	–	–	2,918,130	2,918,130
Administration fees	–	–	–	927,727	927,727
	90,589,870	502,127	–	4,689,081	95,781,078
Expenditures:					
Disbursements to charities	53,470,918	–	–	–	53,470,918
Investment management fees	2,538,754	155,574	–	–	2,694,328
Administration (Schedule 1)	–	–	199,665	3,491,717	3,691,382
Other	374,521	–	–	–	374,521
	56,384,193	155,574	199,665	3,491,717	60,231,149
Excess (deficiency) of revenue over expenditures	$ 34,205,677	$ 346,553	$ (199,665)	$ 1,197,364	$ 35,549,929

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

ABUNDANCE CANADA

Statement of Changes in Fund Balances

Year ended January 31, 2025

	2025				
	Internally restricted	Endowments	Capital assets	Operating	Total
Balance, January 31, 2024 (restated - note 3)	$ 226,229,299	$ 12,820,692	$ 404,151	$ (12,345,740)	$ 227,108,402
Excess (deficiency) of revenue over expenditures	17,349,917	393,862	(75,505)	2,984,106	20,652,380
Transfers between funds:					
Acquisitions of capital assets	(524,841)	–	524,841	–	–
Transfers between Funds and Managed Trust funds (note 10[b])	33,000	–	–	668,200	701,200
Transfer between Funds (note 10[b])	(6,434,833)	(191,596)	–	6,626,429	–
Balance, January 31, 2025	$ 236,652,542	$ 13,022,958	$ 853,487	$ (2,067,005)	$ 248,461,982

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

ABUNDANCE CANADA

Statement of Changes in Fund Balances

Year ended January 31, 2024 (Unaudited)

	2024				
	Internally restricted	Endowments	Capital assets	Operating	Total
					(Restated - note 3)
Balance, February 1, 2023 (restated - note 3)	$ 192,275,313	$ 12,474,139	$ 214,992	$ (13,543,104)	$ 191,421,340
Excess (deficiency) of revenue over expenditures	34,205,677	346,553	(199,665)	1,197,364	35,549,929
Transfers between funds					
Acquisitions of capital assets	(388,824)	–	388,824	–	–
Transfers between Funds and Managed Trust Funds	137,133	–	–	–	137,133
Balance, January 31, 2024	$ 226,229,299	$ 12,820,692	$ 404,151	$ (12,345,740)	$ 227,108,402

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

ABUNDANCE CANADA

Statement of Cash Flows

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

		2025		2024
				(Unaudited) (Restated - note 3)
Operating activities:				
Excess of revenues over expenses	$	20,652,380	$	35,549,929
Item not affecting cash:				
Amortization		75,505		199,665
Change in cash surrender value of life insurance		(225,399)		40,586
Realized/unrealized gains on investments		(24,135,695)		(3,994,803)
		(3,633,209)		31,795,377
Changes in non-cash operating working capital items:				
Investment income receivable		80,759		(151,058)
Accounts payable and accrued liabilities		(41,266)		79,820
Other assets		(43,996)		(22,418)
		(3,637,712)		31,701,721
Investing activities:				
Acquisition of capital assets		(524,841)		(388,823)
Decrease in mortgages receivable		3,607,851		2,790,086
(Increase) decrease in investments		5,620,962		(36,475,367)
		8,703,972		(34,074,104)
Financing activities:				
Change in Managed Trust Funds		(2,752,896)		(13,733,352)
Net increase (decrease) in cash		2,313,364		(16,105,735)
Cash, beginning of year		5,451,414		21,557,149
Cash, end of year	$	7,764,778	$	5,451,414

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

1. Nature of the organization:

Abundance Canada ("Abundance" or the "Organization") was established by the Founding Mennonite Church Conferences in 1973 as a non-profit service agency to accumulate, manage and distribute financial resources exclusively for charitable purposes. The Organization is a registered charity and is classified as a public foundation for purposes of the Income Tax Act (Canada). The Organization had previously been operating as the Mennonite Foundation of Canada prior to changing its name.

The Organization manages investments and administers various types of funds as follows:

- Managed Trust Funds – The Organization has agreements with agencies and certain individuals to manage funds. Depositors may withdraw the principal amount at any time, with due notice. Investment earnings on these funds are paid to charities or the depositors, at the discretion of the depositor of the funds.

- Internally Restricted – The Organization administers donor advised funds (DAFs) which are established through irrevocable contributions from donors. Upon receipt, the Organization issues an official tax receipt and assumes legal ownership and control of the funds. The earnings and principal are available for disbursement to approved qualified donees as defined in the Income Tax Act of Canada s. 149.1. While the donor may provide non-binding recommendations regarding the distribution of grants from their respective DAFs, the Organization retains ultimate discretion over all disbursements to qualified donees.

- Endowments –The Organization receives endowment contributions that are subject to externally imposed restrictions, stipulating that the principal be maintained intact in perpetuity. Investment income earned on these funds is externally restricted for designated purposes disbursed to qualified donees or capitalized as directed by the agreement.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for not-for-profit organizations in Part III of the CPA Canada Handbook ("ASNPO") and include the following significant accounting policies:

(a) Fund accounting:

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

2. Significant accounting policies (continued):

(a) Fund accounting (continued):

The Organization records its financial transactions on the fund accounting basis as follows:

(i) Internally Restricted Fund:

The Organization maintains several internally restricted funds for use in operations or various programs based on the priorities identified by the Board of Directors of the Organization.

The internally restricted funds of the Organization are comprised of gifting and bequest funds, life interest funds, Abundance fund, cash surrender value of life insurance policies, Abundance Canada reserve fund and irrevocable trust funds. The Board of Directors approves the use of the funds including any transfers to other funds.

(ii) Endowment Fund:

Endowment Funds are contributions designated by donors to remain in perpetuity. The investment income earned by these funds is restricted by the donor for specific use. Investment income is allocated to each endowment fund annually.

(iii) Capital Assets Fund:

The Capital Assets Fund includes transactions related to the capital assets of the Organization.

(iv) Operating Fund:

The Operating Fund consists of contributions which are not donor advised funds or contributions to endowment funds. Administrative expenses are also recognized in this fund.

(b) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the Operating Fund, depending on the nature of the contribution, in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Investment income on unrestricted assets is recognized as revenue when earned. Investment income earned on deferred contributions is recognized as revenue in the same period as the related expenses of the deferred contribution are recognized. Investment income earned on unspent restricted contributions is recognized as revenue in the corresponding restricted fund.

(c) Capital assets:

The Organization records its capital assets, consisting of furniture and fixtures, leasehold improvements, computers and office equipment, and computer software, at their historical cost. Amortization on all capital assets except leasehold improvements are provided for at rates ranging between 10% and 33%, calculated on a straight-line basis. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset shall be written down to the asset's fair value or replacement cost. The write-downs of capital assets shall be accounted for as expenses in the statement of operations. A write-down due to impairment of capital assets shall not be reversed.

(d) Financial instruments:

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm’s length transactions are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially recognized at cost.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost except for the following:

- Investments in unlisted shares, which are measured at cost less any reduction for impairment;
- Investments in certain limited partnerships are measured at the Organizations pro rata interest in the net assets of the partnerships;

2. Significant accounting policies (continued):

(d) Financial instruments (continued):

Subsequent measurement (continued)

- Investments in listed shares, bonds, equity mutual funds and fixed income mutual fund units which are measured at fair value at the balance sheet date. The fair value of these investments are based on the latest closing price.

Interest and dividends earned on the investments, dividends received on unlisted shares, and gains and losses on listed shares, bonds, equity mutual funds and fixed income mutual fund units are included in income in the statement of operations.

Transaction costs

Transaction costs related to financial instruments subsequently measured 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 instrument using the straight line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight line method and recognized in net earnings as interest income or expense.

Impairment

With respect to financial assets measured at cost or amortized cost, the Organization recognizes an impairment loss, if any when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

(e) Bequests and other donations:

Bequests and other donations are recorded when received.

(f) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand and short-term deposits with a term to maturity of 90 days or less at the date of purchase. Cash and cash equivalents held for investing rather than liquidity purposes are classified as investments.

2. Significant accounting policies (continued):

(g) Grant commitments:

Grant commitments are recorded in the period grants are disbursed.

(h) Cash surrender value of life insurance:

The Organization is owner and beneficiary of donated life insurance policies where annual premiums are paid by benefactors of the Organization. These entitlements are recorded as assets at an amount equal to the cash surrender value of such life insurance policies.

(i) 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 affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the valuation of investments. Actual results could differ from these estimates.

3. Change in accounting policy and prior period adjustments:

(a) Restricted fund method:

Effective February 1, 2023, the Organization changed its method of accounting for contributions from the deferral method to the restricted fund method, in accordance with ASNPO.

Under the deferral method, restricted contributions were recognized in the year in which the related expenses were incurred. Under the restricted fund method, externally restricted contributions are recognized as revenue in the appropriate restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

The Organization believes the restricted fund method provides more relevant and transparent information to stakeholders by aligning revenue recognition with the purpose for which the funds are received.

3. Change in accounting policy and prior period adjustments (continued):

(a) Restricted fund method (continued):

In prior periods for the Organization, earnings paid and payable represented deferred revenue related to donor advised funds and managed trust funds (note 1). Under the restricted method, these earnings are recognized in the period in which they are received.

These changes have been applied retrospectively. Comparative figures have been restated to conform with the new policy.

(b) Changes in presentation:

In conjunction with the change in accounting policy, the Organization also corrected its method of presentation for certain items of revenue and expense. Previously certain items that were presented within the Statement of Changes in Net Assets in the prior year are now presented within the Statement of Operations.

(c) Endowments:

Under ASPNO an "endowment" is generally understood as a contribution (or fund) for which the donor has stipulated that the principal (the original amount contributed) be maintained intact. In prior periods, certain contributions received by the Organization from donors were accounted for as endowments but did not meet these criteria. Therefore, they have now been reclassified to internally restricted funds. The impact of this restatement was to decrease Endowment Fund balances and increase Internally Restricted Fund balances as at February 1, 2023 by $22,215,982, and as at January 31, 2024 by $22,364,504.

The impact of the change to the restricted fund method as well as the changes in presentation on previously reported operating income for the year ended January 31, 2024 was as follows:

Operating income for the year ended January 31, 2024, as previously reported	$ 997,698
Investment income allocated to trust funds	4,915,427
Gifts from donors	83,102,863
Disbursements to charities	(53,118,775)
Other withdrawals	(374,521)
Change in cash surrender value of life insurance	(40,586)
Other adjustments	67,823
Excess of revenue over expenditure for the year ended January 31, 2024, restated	$ 35,549,929

3. Change in accounting policy and prior period adjustments (continued):

The impact of all of these changes on previously reported opening net assets and fund balances at January 31, 2023 was as follows:

Net assets at January 31, 2023, as previously reported	$	188,721,537
Cumulative effect of earnings paid and payable		2,990,325
Cumulative effect of earnings paid and payable related to managed trust funds		(290,522)
Total fund balances at January 31, 2023, restated	$	191,421,340

4. Other assets:

		2025		2024
				(Unaudited)
GST/HST receivable	$	129,179	$	58,068
Prepaid expenses		44,336		77,471
Other		6,020		–
	$	179,535	$	135,539

5. Investments:

The Organization manages investments held in the Internally Restricted Fund and the Operating Fund in accordance with its Investment Policy Statement ("IPS") which is reviewed annually by the Board of Directors and managed by the Investment Advisory Committee. Investments are managed to support the charitable objectives of the donor advised funds. The overriding objective of the Organization's investment activities is to maximize risk adjusted returns for a medium risk tolerant investor. The Organization's investment advisors are expected to take an approach where risk is measured, managed and controlled. This includes credit, reinvestment, market, liquidity, capital, environmental, social, governance, and reputational risks.

The Organization manages a fixed income pool, an equity pool, and several individual externally managed investments for individual donor advised funds.

5. Investments (continued):

The investment objectives are to maximize the return on the portfolio while keeping risk to an acceptable level and protecting the value of the capital to allow for the respective fund's charitable disbursement objectives, and to generate sufficient total investment returns to support annual granting requirements and to meet statutory requirements. Investment performance is measured net of investment management fees and expected to generate returns, aligning with the Organization's environmental, social and governance (ESG) guidelines and Socially Responsible Investing (SRI) principles and the expected timeframe of the funds and annual disbursement percentages. Asset mix allocation varies depending on the investment pool.

	2025		2024	
	%	Fair value	%	Fair value
				(Unaudited)
Cash and cash equivalents:				
Canada	0.60%	$ 1,571,194	1.76%	$ 4,290,353
International	0.03%	90,532	0.18%	437,587
Canada equity securities and mutual fund units	20.85%	54,666,911	21.82%	53,177,429
International equity securities and mutual fund units	18.48%	48,474,606	13.92%	33,924,347
Fixed income and bond fund units:				
Canada	22.90%	60,039,748	24.69%	60,163,834
International	0.85%	2,241,469	0.26%	644,903
Investment in limited partnerships	0.50%	1,312,538	0.48%	1,163,028
Guaranteed investment certificates (GICs)	2.29%	5,995,301	2.03%	4,958,734
Mortgage fund units	33.50%	87,844,473	34.86%	84,961,824
		262,236,772		243,722,039
Mortgages receivable		6,264,531		9,872,382
		$ 268,501,303		$ 253,594,421

6. Cash surrender value of life insurance:

The Organization is the owner and capital beneficiary of donated life insurance policies at January 31, 2025. The face value of these policies as at January 31, 2025 is $16,411,796 (2024 - $16,911,796). The cash surrender value of these policies at January 31, 2025 is $1,849,974 (2024 - $1,624,575).

7. Capital assets:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
				(Unaudited)
Leasehold improvements	$ 846,981	$ 382,270	$ 464,711	$ 192,955
Computer software	2,064,406	1,715,039	349,367	175,977
Furniture and fixtures	145,972	127,872	18,100	22,706
Computers and office equipment	85,689	64,380	21,309	12,513
	$ 3,143,048	$ 2,289,561	$ 853,487	$ 404,151

8. Accounts payable and accrued liabilities:

	2025	2024
		(Unaudited)
Accrued liabilities	$ 275,286	$ 154,827
Trade	29,160	190,885
	$ 304,446	$ 345,712

Included in accounts payable at January 31, 2025 are government remittances payable of nil (2024 - $29,984).

9. Managed Trust Funds:

Managed Trust Funds represent funds beneficially owned by other organizations or individuals, included in investments, for which the income and capital is designated for the benefit of those fund holders. Certain organizations, which include various community foundations and other not-for-profit agencies and individuals, have placed their investment capital, including their endowment capital, with the Organization to be managed as part of the Organization's investment portfolios. Fund holders may withdraw the principal amount at any time, with due notice. Investment earnings on these funds are paid to charities or fund holders, at the discretion of the depositor of the funds.

As at January 31, 2025, 97 (2024 - 97) community agencies and 73 (2024 - 73) individuals were working together with the Organization in this manner. The capital beneficially owned by other organizations and individuals is included in the Organization's Managed Trust Funds on the Statement of Financial Position.

10. Funds:

(a) Endowments:

The restricted endowment funds of the Organization are comprised of the following:

	2025	2024 (Unaudited)
Endowment funds	$ 13,022,958	$ 12,820,692

During the year a review of the Endowment agreements resulted in a reclassification from Endowment Funds to Internally Restricted Funds based on the fact that some agreements were previously classified as Endowments if the funds were established by gifts from donors which were designated to remain under the Organization's management for at least ten years before the principal could be disbursed to charities. See also note 3(c).

(b) Internally Restricted Funds:

The internally restricted funds of the Organization are comprised of the following:

	2025	2024 (Unaudited)
Gifting and bequest funds	$ 225,199,770	$ 211,675,052
Life interest funds	7,426,566	7,274,669
Abundance Canada fund	1,942,836	4,673,218
Cash surrender value of life insurance policies	1,849,974	1,624,575
Abundance Canada reserve fund	199,109	929,517
Irrevocable trust funds	34,287	52,268
	$ 236,652,542	$ 226,229,299

Effective January 31, 2025 the Board approved a rebalancing of the fixed income and equity portfolios and eliminated the practice of allocating unrealized gains and losses of the fixed income portfolio to Abundance operations on a go forward basis.

10. Funds (continued):

(b) Internally Restricted Funds (continued):

As a result, the following amounts were transferred between funds on the Statement of Changes in Fund Balances for the year ended January 31, 2025:

Transfer from Internally Restricted Funds to Operating Fund	$	6,434,833
Transfer from Managed Trust Funds to Operating Fund		668,200
Transfer from Endowment Funds to Operating Fund		191,596
	$	7,294,629

Unrealized and realized gains/losses represented by period over period changes in value of the Abundance's externally managed fixed income portfolio were allocated to the Operating Fund. Included in 2025 is a gain of $4,532,400 (2024 unrealized gain $304,459) that offset previous year's losses allocated to the Operating Fund.

During the year the Board of Directors authorized transfers totaling $2.3 million from the Abundance Canada Fund (included in Internally Restricted Funds) to specific internally restricted and endowment funds to restore losses incurred. During the year the Board of Directors also authorized a series of future contingent transfers from the Operating Fund to restore losses of up to $5.4 million in four specific internally restricted funds. The potential transfers are subject to future financial capacity and Board discretion. Transfers will only be made in years where such transfers would not cause material harm to the operations of Abundance. Abundance reserves the right, at its sole discretion to accelerate transfers and/or eliminate and cancel all future allocations should continuance of the transfers be deemed by the Board of Directors to not be in the interest of the Organization.

11. Commitments:

The Organization has commitments for leased premises to November 30, 2033, comprised of base rents plus a proportionate share of operating costs. The base rent commitments to lease expiry are $886,732 with payment obligations over the next five years and thereafter as follows:

2026	$	140,744
2027		140,744
2028		121,251
2029		79,196
2030		70,754
Thereafter		334,043
	$	886,732

12. Financial instruments:

Market risk

Market risk is the risk for potential financial loss to the Organization from changes in values of its financial instruments due to changes in interest rates or other price risk. The investments of the Organization are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes in the Organization's cash flows, financial position, and income. This risk arises from differences in the timing and amount of cash flows related to the Organization's assets. The value of the Organization's assets are affected by nominal changes in interest rates.

The Organization holds mortgage loans receivable totaling $6,264,531 (2024 - $9,872,382) bearing interest at rates between 4.5% to 7.85% maturing between February 2025 to January 2028.

Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments denominated in currencies other than the functional currency of the Organization will fluctuate due to changes in foreign exchange rates. The Organization is directly exposed to currency risk on its foreign market equities.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization is exposed to other price risk on its listed shares, bonds, equity mutual funds and fixed income mutual fund units which fluctuate based on the quoted market price. The Organization's investment policy is to control equity price risk by maintaining a diversified portfolio.

Credit risk

Credit risk arises when a counterparty does not fully honor its financial or contractual obligations. The Organization has established credit and investment policies to mitigate this risk and is primarily exposed to credit risk on its mortgages receivable. The credit risk is mitigated by an investment policy established by the Board of Directors, which sets out various investment thresholds.

13. Loan facility:

The Organization has a prime rate based loan facility available to it to a maximum of $500,000. The interest on this loan facility is the bank's prime rate plus 0.75% per annum. As at January 31, 2025 the Organization has not drawn on this loan facility (2024 - nil).

14. Capital management:

The Organization manages its capital held for investments according to the terms and restrictions of the donors and depositors who have placed funds with the Organization. The Organization's own capital, comprised of net assets invested in capital assets, internally restricted funds and unrestricted net assets, has accumulated from the excess of revenues over expenditures over the life of the Organization. The Organization's Board annually approves its operating plan which provides for a financial result that is modestly better than break-even, ignoring the impact of unrealized gains on investments accruing to the Organization's benefit. Capital management objectives, policies and procedures are substantially unchanged since the preceding period.

ABUNDANCE CANADA

Schedule 1 - Administration Expenses

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

		2025		2024
				(Unaudited)
				(Restated - note 3)
Salaries and benefits	$	2,230,131	$	2,130,749
Professional fees		1,252,039		182,381
Computer		316,584		219,166
Rent and common area costs		239,221		248,690
Contractor costs		229,669		–
Travel		148,498		188,963
Marketing and communication		116,777		264,404
Amortization		75,505		199,665
Office		83,760		87,747
Staff development, memberships and subscriptions		53,627		55,596
Interest and bank charges		30,033		72,370
Telephone		24,852		25,071
Insurance		21,094		16,580
	$	4,821,790	$	3,691,382