



THE  
VERITAS  
FOUNDATION

# ANNUAL REPORT

**2023**



**The Veritas Foundation** is a non-profit charitable foundation registered with the Canada Revenue Agency (#732323126 RR0001). Its mission is to be Canada's authoritative source for individuals, groups and companies to participate in the country's charitable sector and evaluate its effectiveness and impact.

To accomplish this mission, the Veritas Foundation has created the **Veritas Foundation Giving Fund** (VGF) to enable a donor to establish their own Donor Advised Fund (DAF), or endowment. Veritas Foundation receives the proceeds of donations from a donor, invests these proceeds in the VGF, and makes grants over a period of time to a donor's favourite charities, projects, and/or permitted entities ("Eligible Charities").

The Veritas Foundation offers donors the opportunity to:

- Set up a DAF that may be named by the donor;
- Make irrevocable donations to the Veritas Foundation of either cash or securities;
- Receive an official tax receipt for each donation;
- Pay no capital gains on donations of qualified securities and receive a tax receipt for the full fair market value of the securities;
- Recommend grants to eligible charities, projects, or other entities for the donor's lifetime and beyond;
- Increase the amount that can be granted over time through the tax-free growth of the assets in the DAF; and
- Simplify their charitable giving activities by consolidating their giving activities into one account.

Veritas also provides, to donors and others, independent, fair and respectful research into Canadian registered charities to help them in evaluating and choosing their favoured charities.

The Veritas Foundation is part of the Veritas Group of Companies, including sister companies Veritas Investment Research Corporation and Veritas Asset Management. It will continue to build on their outstanding reputation for conducting independent research and products for Canadians for over 20 years.

# SUMMARY OF ACTIVITIES - FISCAL 2023

During the year ended March 31<sup>st</sup>, 2023, The Veritas Foundation is proud to have accomplished the following:

- Held two food drives for families in need during the holiday and spring seasons raising a total of \$8,160. One hundred percent of Proceeds went to the Weston Area Emergency Support (WAES) in Toronto.
- Held its annual Buddies Golf Tournament to support several organizations involved in cancer and other community activities. Ninety golfers raised a net \$13,200 for Northern Ontario Families of Children With Cancer, Childhood Cancer Canada, Gilda's Club of Greater Toronto, Wellspring Cancer Support Foundation, S.H.A.R.E. Agricultural Foundation, Behind Greatness, UforChange, and NepalAbility.
- Materially grew the Veritas Foundation Giving Fund as a Donor Advised Fund, offering individuals, groups and companies the opportunity to open their own endowed charitable account for charitable giving.
- Assisted many Charities with their fundraising efforts through our online Charity Marketplace. As of March 31<sup>st</sup>, 2023 we assisted 55 Charity Campaigns in raising \$1.3 million from 930 unique Donors.
- Produced monthly Research Reports and Newsletters for our donors, charity management, and the public to help educate them on the importance of community and planned charitable giving.
- Honoured the Fastest Growing Charities in Canada from 2016 to 2021 in 19 charity categories with the first annual Veritas500 Awards. These charities are excelling in their charitable mission through good management, mission awareness, and project impact.
- Worked with our sister companies Veritas Charity Services Inc. and Veritas Asset Management to provide superior administration, research, and investment management services to The Veritas Foundation Giving Fund.

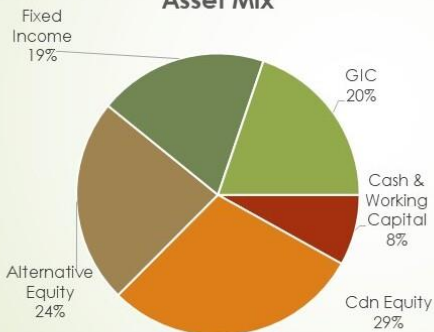
### Assets & Net Asset Value Per Unit



### Performance Summary To March 31<sup>st</sup>, 2023

Period	Return
1 Month	-0.5%
3 Months	-0.3%
6 Months	2.8%
1 Year	-7.3%
2 Year CAGR	-1.5%
Since Inception	-4.1%

### Asset Mix



## Monthly Research Reports

The Veritas Foundation is proud to contribute to the public knowledge and discourse of charitable giving in Canada through its monthly Research Reports. These reports cover diverse topics such as The Impact of COVID on Canada's Charities and Philanthropies, The Use of External Fundraisers in the Charitable Sector, Fundraising Methods Used By Canada's Charities: Past, Present and Future, and Real Estate in Canada's Charitable Sector. Reports are available individually or by annual subscription. To order, visit our Shop [HERE](#).



## Charity Reviews

To assist Veritas Foundation Giving Fund Accountholders, the public, and Charity management in assessing the effectiveness and impact of an individual Charity or Foundation, we offer an extensive Charity Review program. We review the charity's financial performance and operations through 750 detailed questions, make recommendations on how to improve the charity's impact, have interactive meetings with management and the Board to gain in-depth knowledge of the Charity, and assign a rating of the Charity from 1 star to 5.



5 Star Review!

**Independently Rated by  
The Veritas Foundation**

# LEADERSHIP

## Board of Directors



**Anthony Scilipoti**, Chair  
President,  
Veritas Investment Research Corporation

**James Burn** \*^  
Partner and Co-founder,  
BrandActive



**Edna Chu** #^  
Board Member

**Lou Fabiano** #  
Senior Strategic Advisor  
Veritas Investment Research Corporation



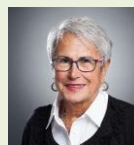
**Sam Labell** #^  
Portfolio Manager  
Veritas Asset Management

**Joseph Mauko** #\*  
Cybersecurity Consultant  
Awake Security



**Vicki Moretti** \*  
Board Member

**Dina Palozzi** ^\*  
Retired Executive and  
Governance Consultant



\*Governance Committee

^Audit Committee

#Investment Committee

## Management



**Mark S. Bonham**  
Executive Director

# FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

### To the Members of The Veritas Foundation

#### Opinion

We have audited the financial statements of The Veritas Foundation (the Foundation), which comprise the statement of financial position as at March 31, 2023, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Veritas Foundation as at March 31, 2023, and its 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 our 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 these 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 Responsibility 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.



Concord, Ontario  
June 22<sup>nd</sup>, 2023

Valenzano & Pillo LLP  
Licensed Public Accountants



**THE VERITAS FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	143,866	127,257
Prepaid Expenses	413	-
Funds held in trust (note 7)	<u>185,000</u>	<u>185,000</u>
	329,279	312,257
 <b>INVESTMENTS (note 3)</b>	 <u>5,007,435</u>	 <u>1,775,728</u>
	<u>5,336,714</u>	<u>2,087,985</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	14,381	12,660
Trust liability (note 7)	<u>185,000</u>	<u>185,000</u>
	199,381	197,660
 <b>NET ASSETS</b>	 <u>5,137,333</u>	 <u>1,890,325</u>
	<u>5,336,714</u>	<u>2,087,985</u>

APPROVED ON BEHALF OF THE BOARD

*"Anthony Scilipoti"*

DIRECTOR

*"Sam LaBell"*

DIRECTOR

See accompanying notes to the financial statements

**THE VERITAS FOUNDATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Donations	4,288,582	2,001,806
Unrealized increase in fair value of investments	166	55,729
Investment Income	54,165	49,206
Realized gain(loss) on securities trades	<u>(66,332)</u>	<u>-</u>
	4,286,581	2,106,741
<b>EXPENSES</b>		
Administrative expenses	67,541	23,801
Investment management expense	62,775	19,818
Custodial Fees	33,418	8,810
Events (note 5)	2,169	-
Professional fees	7,611	9,918
Rent and overhead	<u>6,402</u>	<u>6,575</u>
	179,916	66,922
<b>NET SURPLUS BEFORE UNDERNOTED</b>	4,106,665	2,039,819
Awards, grants and disbursements	<u>859,657</u>	<u>52,921</u>
<b>NET SURPLUS</b>	3,247,008	1,986,898
<b>NET SURPLUS DEFICIENCY, BEGINNING OF YEAR</b>	<u>1,890,325</u>	<u>(96,573)</u>
<b>NET SURPLUS/(DEFICIENCY), END OF YEAR</b>	<u>5,137,333</u>	<u>1,890,425</u>

See accompanying notes to financial statements.

**THE VERITAS FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES</b>		
Net surplus	3,247,008	1,986,898
Items not requiring use of cash		
Loss on disposal of investments	56,332	-
Unrealized gains on marketable securities	<u>(166)</u>	<u>(55,729)</u>
	3,303,174	1,939,074
Changes in non-cash working capital:		
Prepaid expenses and other current assets	(413)	-
Accounts payable and accrued liabilities	<u>1,724</u>	<u>7,905</u>
	<u>3,304,485</u>	<u>1,939,074</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of marketable securities	(3,287,876)	(1,654,278)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Settlement of Founder's Advance	<u>-</u>	<u>(178,263)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	16,609	106,533
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<u>127,257</u>	<u>20,724</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<u>143,866</u>	<u>127,257</u>

**THE VERITAS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023**

The Foundation was incorporated as a corporation without share capital on January 18, 2017 under the laws of Canada. It received its charitable status as a private organization effective November 28, 2018. The Organization offers individuals, families, groups and corporations a platform to establish their own Donor Advised Fund in the Veritas Foundation Giving Fund.

Its purpose is to make sustainable improvements to the Charitable sector through research and granting programs. The primary investment objective of the Foundation is to manage donors' original capital to disburse the funds over a multi-year horizon to charitable organizations and causes selected by the donors. The Foundation's secondary objective is to grow donors' original capital through investment income and capital appreciation, with a view to increasing the impact of each donation and extending the potential timeline of disbursements.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of accounting**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The following are the policies selected by the Foundation and applied in these financial statements.

### **Unrestricted Funds**

Unrestricted funds reflect amounts remaining after externally and internally restricted funds, and are available to fund operations of current and future periods as required.

### **Revenue recognition**

The Foundation follows the deferral method of accounting for donations, which are recognized in revenue when received or receivable. Grants to charities which are recommended by donors are at the discretion of the Foundation.

Income from investments is recorded as earned. Gains and losses from changes in the fair value of investments are recorded, whether realized or unrealized.

### **Use of estimates**

In preparing the financial statements, management is required to make estimates

assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

### **Financial instruments**

The Foundation's financial instruments consist of cash and investments. A financial asset or liability is recognized when the Foundation becomes party to contractual provisions of the instrument. Financial assets or liabilities are initially measured at their fair value.

The Foundation subsequently measures its financial assets and financial liabilities at cost or amortized cost, except for its investments which are quoted in an active market and are subsequently measured at fair value. If there is no quoted price in an active market then the Foundation uses valuation techniques that maximize the use of relevant observable inputs and minimize the unobservable inputs. Changes in fair value are recognized in the statement of operations and changes in net assets.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is any such indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from that financial asset, it recognizes an impairment loss in the statement of operations and changes in net assets. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

### **Volunteer service**

The work of the Organization is partially accomplished by the contribution of voluntary services. The Organization does not record the value of volunteer services unless the fair value can be reasonably estimated. These services are received gratuitously; therefore, no value has been included in these financial statements as the fair value is not readily determinable.

## **2. FINANCIAL RISK MANAGEMENT**

The Foundation is exposed to various risks through its financial instruments. The Foundation manages these risks by maintaining a diversified portfolio of investments.

### **Liquidity risk**

Liquidity risk is the risk that the Foundation cannot meet its financial obligations as they come due. The majority of the Foundation's investments are traded in an active market and can be readily liquidated. In addition, the Foundation aims to retain sufficient cash positions to maintain liquidity. Therefore, the Foundation's liquidity risk is considered minimal.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is not exposed to currency risk.

### Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices. The Foundation is exposed to price risk through its holdings in publicly traded equities.

### Credit risk

Credit risk is the potential for financial loss should a counterparty in a transaction fail to meet its obligations. The Foundation's investments in certain securities including fixed income and private commercial mortgages are subject to credit risk. The maximum exposure to credit risk on these financial instruments is their carrying value.

### Investment Policy

Funds must be managed in adherence to the principles of consistency and continuity. The principle of conservatism predominates when the investment committee, advisers, and securities custodians are engaged in decision making and applying strategies.

The objective is to optimize the return on the fund while considering the risk that the Foundation is prepared to assume as well as specific constraints set out in the investment policy. Risk stems from the uncertainty inherent to several factors (loss in value of specific investments, decrease in fair value caused by financial market fluctuations, etc.), the combined actions of which could have consequences on the Foundation's ability to meet its commitments.

Return is optimized through an ideal combination of financial assets, diversification, and sufficient latitude to use investment vehicles with higher return potential depending on the periods.

## 3. INVESTMENTS

The Foundation's investments consist of the following:

	<b>2023</b>	<b>2022</b>
Cash, Marketable securities and mutual funds	<u>\$5,007,435</u>	<u>\$1,775,728</u>

The investments are in line with the investment policy statement adopted by the Board of Directors. Certain of the mutual funds held by the Foundation are managed by Veritas Asset Management Inc.

#### 4. FUNDS HELD IN TRUST

Funds Held in Trust are managed on behalf of another Registered Canadian Charity under a Trustee Agreement dated January 4, 2021. Under the Agreement, The Veritas Foundation is responsible for administrative functions including, maintaining accounting and operating records. The Registered Canadian Charity may withdraw funds at any time with written notice.

#### 5. EVENTS

During the year, The Foundation organized a number of fund raising events, including a golf tournament, two food drives and an awards ceremony celebrating Canada's 500 fastest growing charities.

Event revenues	\$ 14,051
Event expenses	<u>\$ 16,220</u>
<b>NET (COST) SURPLUS FROM EVENTS</b>	<b>\$ (2,169)</b>

Revenue does not include receipted Donations collected during the event. These donations are included in Donations presented on the Statement of Operations and Change in Net Assets.

#### 6. RELATED PARTIES AND SERVICE AGREEMENT

The Foundation has entered into a service agreement with Veritas Charity Services Inc. to perform or arrange for administrative, marketing and promotion services. The provision of these services is included in operating expenses. It has also entered into a service agreement with Veritas Asset Management Inc. for investment management services. These two companies are subsidiaries of VIRC Holdings Inc. Two of the Foundation's directors are principals of VIRC Holdings Inc.

#### 7. COMPARATIVE FIGURES

Certain of the 2022 figures have been reclassified to conform with current presentation.



## Our Vision

**We will participate in a thriving Canadian philanthropic sector where the most impactful charities with the highest governance standards are celebrated and supported by donor capital.**

## Our Mission

**The Veritas Foundation aims to be Canada's authoritative source for participating in the country's charitable sector and evaluating its effectiveness and impact.**

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Toronto, Ontario, Canada M5K 1E7**

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