



THE  
VERITAS  
FOUNDATION

# ANNUAL REPORT

**2021**



**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 2021

During the year ended March 31<sup>st</sup>, 2021, The Veritas Foundation is proud to have accomplished the following:

- Held two food drives for families in need during the holiday season.
- Held its annual Buddies Golf Tournament in aid of Camp Ooch and Camp Trillium, a privately funded, non-profit oncology camp that supports kids and families affected by childhood cancer.
- Hired Mark S. Bonham as its new Executive Director to provide management leadership in growing the mission and impact of The Veritas Foundation.
- Welcomed Dina Palozzi with expertise in corporate governance as an independent Board Member and to Chair the Governance Committee of the Board.
- Created 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.
- Entered into an arrangement with sister company Veritas Asset Management to provide investment management services to The Veritas Foundation Giving Fund, supervised by the new Investment Committee of the Board.
- Entered into an arrangement with sister company Veritas Charity Services Inc. to provide administration, research, and marketing and promotion services to The Veritas Foundation Giving Fund.

# LEADERSHIP

## Board of Directors



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

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



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



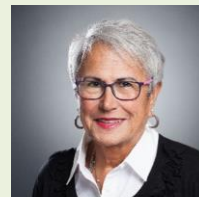
**Sam Labell** \*  
Portfolio Manager  
Veritas Asset Management



**Joseph Mauko** #  
Cybersecurity Consultant  
Awake Security



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



\*Governance Committee

#Investment Committee

## Management



**Mark S. Bonham**  
Executive Director

# FINANCIAL STATEMENTS

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

### To the Shareholders of The Veritas Foundation

We have reviewed the accompanying financial statements of The Veritas Foundation, which comprise the statement of financial position as at March 31, 2021, 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.

### 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 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.

### 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 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 these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Veritas Foundation as at March 31, 2021 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.



Concord, Ontario September 16, 2021

Valenzano & Pillo LLP  
Licensed Public Accountants

**THE VERITAS FOUNDATION**  
STATEMENT OF FINANCIAL POSITION  
**MARCH 31, 2021**  
(UNAUDITED)

**ASSETS**

**2021**  
**\$**

**CURRENT ASSETS**

Cash	20,724
Funds held in trust	<u>185,000</u>
	205,724

**INVESTMENTS (note 3)**

65,723

271,447

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	4,758
Trust liability	<u>185,000</u>
	189,758

**LONG TERM LOAN (note 4)**

178,263

368,021

**NET ASSETS**

(96,574)

271,447

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, 2021**  
 (UNAUDITED)

	<b>2021</b> <b>\$</b>
<b>REVENUE</b>	
Contributions	91,711
Event income	11,250
Unrealized increase in fair value of investments	<u>5,723</u>
	108,684
<b>EXPENSES</b>	
Event costs	9,756
Professional fees	4,317
Administrative expenses	<u>2,262</u>
	16,335
<b>NET SURPLUS BEFORE UNDERNOTED</b>	92,349
Awards, grants and donations	<u>13,500</u>
<b>NET SURPLUS</b>	78,849
<b>NET DEFICIENCY, BEGINNING OF YEAR</b>	<u>(175,423)</u>
<b>NET DEFICIENCY, END OF YEAR</b>	<u>(96,574)</u>

See accompanying notes to financial statements.

**THE VERITAS FOUNDATION**  
STATEMENT OF CASH FLOWS  
**FOR THE YEAR ENDED MARCH 31, 2021**  
(UNAUDITED)

	<b>2021</b>
	<b>\$</b>
<b>CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>	
Net surplus	78,849
Changes in non-cash working capital:	
Prepaid expenses and other current assets	750
Accounts payable and accrued liabilities	<u>4,758</u>
	84,357
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	
Purchase of marketable securities	(65,723)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	
Repayment of loan payable	<u>(5,662)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	12,972
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>7,752</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>20,724</u>



**THE VERITAS FOUNDATION**  
NOTES TO FINANCIAL STATEMENTS  
**MARCH 31, 2021**  
(UNAUDITED)

The Organization 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. Its purpose is to make sustainable improvements to the Charitable sector through research and granting programs. In addition, the Organization offers individuals, families, groups and corporations to establish their own Donor Advised Fund in the Veritas Foundation Giving Fund.

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

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**

The preparation of financial statements in accordance with Canadian accounting standards for not for-profit organizations requires directors and management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from their best estimates as additional information becomes available in the future and adjustments, if any, are recorded as that information becomes known.

#### **Financial instruments**

The Foundation's financial instruments consist of cash, investments and loan payable. 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, which 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.

### Security price risk

Security 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.

### 3. INVESTMENTS

The Foundation's investments consist of the following:

**2021**

\$65,723

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. LOAN PAYABLE

The loan payable is owing to VIRC Holdings Inc. It is non-interest bearing, with no specified terms of repayment or maturity. The lender has indicated that repayment will not be required in the coming year.

**2021**

\$178,263

### 5. 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, to which the fund is indebted in the amount of \$178,263. Two of the Foundation's directors are principals of VIRC Holdings Inc.

### 6. CONTINGENT LIABILITIES

The COVID-19 pandemic continues. It has resulted in a series of public health and emergency measures that have been put into place to combat the spread of the virus. The duration and impact of this cessation or significant limitation of activity due to government order has resulted in economic uncertainty. Consequently, it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results of the Organization in future periods; it will certainly have an impact on the fundraising capabilities in upcoming years.

### 7. COMPARATIVE FIGURES

Comparative figures have not been provided as they would not provide meaningful relevant information.



## 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.**

### **The Veritas Foundation**

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