

THE CANADIAN JOURNALISM FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2023

HILBORNLLP

Independent Auditor's Report

To the Members of The Canadian Journalism Foundation

Opinion

We have audited the financial statements of The Canadian Journalism Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the 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, 2023, 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 ability of the Foundation 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 financial reporting process of the Foundation.

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.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 internal control of the Foundation.
- 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 ability of the Foundation 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario
June 5, 2024

Chartered Professional Accountants
Licensed Public Accountants

THE CANADIAN JOURNALISM FOUNDATION

Statement of Financial Position

December 31	2023 \$	2022 \$
ASSETS		
Current assets		
Cash	755,976	781,475
Restricted cash (note 3)	31,938	31,838
Short-term investments (note 4)	286,266	272,590
Contributions receivable	75,930	184,713
HST recoverable	29,254	25,382
Prepaid expenses	30,587	29,524
	1,209,951	1,325,522
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	32,002	131,491
Deferred contributions (note 3)	31,938	31,838
Deferred grants and sponsorships (note 5)	65,808	128,333
	129,748	291,662
NET ASSETS		
Unrestricted net assets	1,080,203	1,033,860
	1,080,203	1,033,860
	1,209,951	1,325,522

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

THE CANADIAN JOURNALISM FOUNDATION

Statement of Revenues and Expenses

Year ended December 31	2023 \$	2022 \$
Revenues		
Donations	51,630	37,109
Awards sales, sponsorships and donations	503,186	494,200
Program sponsorships and J-Talks	265,513	523,023
Corporate sponsorships and other	122,526	393,835
Indigenous Fellowship	60,500	69,725
CJF History Book	30,000	-
NewsWise	118,109	20,000
	1,151,464	1,537,892
Expenses		
Administrative salaries and benefits	403,237	406,610
Awards	229,042	392,802
Awards ceremony	260,121	229,331
Bank interest and charges	5,029	5,053
CJF History Book	32,866	-
Foundation meetings	4,086	2,031
J-Talks	17,231	30,569
Marketing and fundraising	4,683	2,196
NewsWise	68,322	5,431
Office and general	38,682	61,099
Professional fees	30,373	41,679
Rent	10,472	33,058
World News day	706	105,996
	1,104,850	1,315,855
Excess of revenues over expenses before the following	46,614	222,037
Foreign exchange (loss) gain	(13,947)	32,733
Interest income	13,676	90
	(271)	32,823
Excess of revenues over expenses for year	46,343	254,860

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

Year ended December 31	2023 \$	2022 \$
Net assets, beginning of year	1,033,860	779,000
Excess of revenues over expenses for year	46,343	254,860
Net assets, end of year	1,080,203	1,033,860

The accompanying notes are an integral part of these financial statements

THE CANADIAN JOURNALISM FOUNDATION

Statement of Cash Flows

Year ended December 31	2023 \$	2022 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	46,343	254,860
Change in non-cash working capital items		
Decrease (increase) in contributions receivable	108,783	(79,388)
Decrease in government assistance receivable	-	6,322
Decrease (increase) in HST recoverable	(3,872)	4,009
Increase in prepaid expenses	(1,063)	(15,200)
Increase (decrease) in accounts payable and accrued liabilities	(99,489)	109,748
Decrease in deferred contributions	100	(11,018)
Decrease in deferred grants and sponsorships	(62,525)	(16,650)
	<u>(11,723)</u>	<u>252,683</u>
Cash flows from investing activities		
Proceeds from disposals of investments	272,590	-
Purchase of investments	(286,266)	(272,590)
	<u>(13,676)</u>	<u>(272,590)</u>
Cash flows from financing activities		
Decrease (increase) in restricted cash	(100)	11,018
Net change in cash	(25,499)	(8,889)
Cash, beginning of year	781,475	790,364
Cash, end of year	<u>755,976</u>	<u>781,475</u>

The accompanying notes are an integral part of these financial statements

THE CANADIAN JOURNALISM FOUNDATION

Notes to Financial Statements

December 31, 2023

Purpose of Organization

The Canadian Journalism Foundation (the "Foundation") is dedicated to the pursuit of excellence in Canadian journalism by recognizing outstanding journalistic achievement and by promoting dialogue among media, business, government, public policy groups and academe. The Foundation is a registered charitable organization and is exempt from income taxes.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFP") and include the following significant accounting policies:

(a) Revenue recognition

Contributions

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred and contribution agreement terms are met. 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.

Interest income

Interest income is recorded when earned.

(b) Reserve fund

During the 2023 fiscal year, the Board of Directors approved to internally restrict net assets to be used as an operating reserve fund to ensure the long-term financial health and ongoing operation of the Foundation. The reserve fund will be funded with surplus unrestricted operating funds or from specific sources of revenues designated for the reserve fund.

(c) Short-term investments

Short-term investments are recorded at cost plus accrued interest.

(d) Financial instruments

(i) Measurement of financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will subsequently be measured at fair value, the amount of transaction costs directly attributable to the instrument. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short-term investments and contributions receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

THE CANADIAN JOURNALISM FOUNDATION

Notes to Financial Statements (continued)

December 31, 2023

1. Significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statements of revenues and expenses. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets; and
- the amount that could be realized by selling the assets or group of assets.
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

(e) Contributed goods and services

The activities the organization undertakes are assisted by numerous volunteers, board members and organizations. The value of their contributed goods and services is not reflected within these financial statements unless the organization would otherwise purchase these goods and services.

(f) Foreign currency translation

Monetary assets and liabilities of the Foundation which are denominated in foreign currencies are translated to Canadian dollars at year-end exchange rates. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in net income.

(g) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results may differ from these estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

THE CANADIAN JOURNALISM FOUNDATION

Notes to Financial Statements (continued)

December 31, 2023

2. Financial instrument risk management

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at December 31, 2023.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation is exposed to credit risk on its cash and contributions receivable. The Foundation reduces its exposure to the credit risk on cash by maintaining balances with a Canadian Chartered Bank. The Foundation reduces its exposure on its contributions receivable by monitoring the accounts on a regular basis. The Foundation has an exposure to credit risk in contributions receivable to a maximum of \$75,930 (2022 - \$184,713).

Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet a demand for cash or fund its obligations as they come due. The Foundation meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipating investing and financing activities. The Foundation has an unsecured bank facility of up to \$125,000 to meet fluctuations in cash requirements. The Foundation has liquidity risk in accounts payable and accrued liabilities to a maximum of \$32,002 (2022 - \$131,491).

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 is comprised of currency risk, interest rate risk and other price risk. The Organization is mainly exposed to currency risk and interest rate risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates.

The functional currency of the Foundation is the Canadian dollar. The Foundation transacts in U.S. dollars as certain revenues are denominated in U.S. dollars.

Cash denominated in U.S. dollars at December 31, 2023 amounted to \$450,192 (\$340,242 U.S.) (2022 - \$313,000 (\$230,664 U.S.)).

THE CANADIAN JOURNALISM FOUNDATION

Notes to Financial Statements (continued)

December 31, 2023

2. Financial instrument risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its fixed income investments as described in note 4. The value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rises. The Foundation has not utilized its available line of credit.

Changes in risk

There have been no significant changes in the Foundation's risk exposure from that of the prior year other than a slight increase in interest rate risk.

3. Restricted cash and deferred contributions

The Foundation has received donations to be held for use solely for the Tom Hanson Award and holds restricted cash balances in the amount of the unspent funds. The Foundation is only acting as an administrator for these funds.

	2023	2022
	\$	\$
Balance, beginning of year	31,838	42,856
Donations received or receivable	100	-
	31,938	42,856
Awards granted during the year	-	(11,018)
	31,938	31,838

4. Short-term investments

	2023	2022
	\$	\$
Equitable bank bond at an interest rate of 5.36% maturing June 2024	286,266	-
Bankers' acceptance at interest rate of 1.07% maturing March 2023	-	136,340
Guaranteed investment certificates at interest rates of 5.05% maturing December 2023	-	136,250
	286,266	272,590

THE CANADIAN JOURNALISM FOUNDATION

Notes to Financial Statements (continued)

December 31, 2023

5. Deferred grants and sponsorships

	2023			
	Opening Balance	Received During Year	Recognized as Revenue	Closing Balance
	\$	\$	\$	\$
Innovation Award	25,000	-	25,000	-
Black Journalism Fellowship Program	88,334	162,309	184,835	65,808
Other	15,000	-	15,000	-
	128,334	162,309	224,835	65,808
	2022			
	Opening Balance	Received During Year	Recognized as Revenue	Closing Balance
	\$	\$	\$	\$
NewsWise	20,000	-	20,000	-
Innovation Award	-	50,000	25,000	25,000
J-Talk sponsorship	20,000	-	20,000	-
Black Journalism Fellowship Program	79,983	220,525	212,174	88,334
Indigenous Fellowship Program	15,000	-	15,000	-
Other	10,000	15,000	10,000	15,000
	144,983	285,525	302,174	128,334

6. Commitments

During the year, the Foundation entered into an agreement to provide a sum of \$58,000 to Narcity Media Group for their services rendered in providing training and mentorship through CJF-Narcity News Creator Fellowship from May to August 2024.

7. Line of credit

The Foundation has a line of credit to a maximum of \$125,000 secured by a general security agreement over the assets of the Foundation. Any advances on this loan facility bear interest at bank prime plus 2.75% per annum with interest payable monthly. There were no advances against the loan facility at December 31, 2023.

HILBORN

LISTENERS. THINKERS. DOERS.