

THREE YEAR STRATEGY & BUDGET FORECAST
COMMUNITY FOUNDATION OF KAWARTHA LAKES

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TABLE OF CONTENTS

Three Year Strategic Plan Overview	2
FINANCIAL BUDGET	3
Notes to financial statements	6

Three Year Strategic Plan

Our Mission is to improve the **quality of life** and **sense of belonging** in the Kawartha Lakes.

We will achieve our mission by **building a greater path for philanthropy** directed to the communities within City of Kawarthas Lakes.

We are aided by a **unique value proposition** found in our special CRA designation as one of the few (only?) **multipurpose public foundations** in Kawartha Lakes.

This allows us to

- Operate or grant across major areas that contribute to the vitality of a community including health & wellness, social services, education, economic development, environment, arts & culture, and agriculture.
- Attract, manage, and disburse funds, in addition to carrying out our own charitable activities.

While we are small in our inception (registered in 2019), one of our core strengths is being a **member of the Community Foundations of Canada**, a network of over 200 community foundations, which brings unique sources of grants, training, collaboration, provincial / federal relationships, and innovative models of working with communities.

While our start included the critical role of local pandemic crisis relief, we have a strong track record in managing funds and investing back into the region. Our future lies in building permanent endowments / donor advised funds (DAFs), with the ability to distribute funds over the long term.

With the focus on building permanent endowments and the ability to distribute funds over the long term, Community Foundations are able to tackle both long term as well as immediate community needs. For example,

- Partner to accelerate larger community investments that take time to fund and build.
- Uplift emergent community project efforts that are not yet founded or registered.
- Over time, address societal or systematic change.

For the next 3-5 years, our objectives are:

1. Build a healthy and sustainable base of operation.
2. Increase the level of giving (donations) in the City of Kawartha Lakes.
3. Increase the level of granting to City of Kawartha Lakes nonprofits or emergent community initiatives.
4. Build a healthier nonprofit sector creating a supportive environment for our charity and others.
5. Develop a deeper understanding of the community's wellbeing and needs, an activity that is essential in designing effective programs and directing investment essential in designing and prioritizing programs and investment.

Tactics in achieving these objectives are found in internal strategic plan documents.

FINANCIAL STATEMENTS

This forecast reflects a time period of

- Starting April 1, 2024
- Ending March 31, 2027

And outlines two major areas of our financials.

1. **Funds under management.**

- Which includes:
 - **Funds Managed:** also called 'invested' funds. These funds are more permanent, longer-term investments which have disbursements over several years. These funds are typically held in our Toronto Foundation investment account, although may fundholders may hold a small balance in our current banking account pending on in or out flows of their fund's activity.
 - **Flow Through Funds:** also called 'spend down' funds as the funds received are typically disbursed in a shorter time frame, e.g. within 12 – 24 months.
 - **Federal Grant and Other Grant Funds:** Please note that federal grant funding or other grant administration typically sees rapid fund disbursement. As such the net fund reflected remains zero.
- For the ease of the reviewer, we are showing the net fund balances (income minus disbursement), which drives our administration fee income in the operational income.

2. **Charity Operating Income and Expenses.** This outlines our major revenue streams and operating expenditures with a yellow column showing growth over FY23.

The following financials are full size to allow for better viewing. Notes follow after financials.

Community Foundation of Kawartha Lakes		FY23 ACTUALS	FISCAL YE 2024	% Chg over YE23	Fiscal YE 2025	Fiscal YE 2026	FISCAL YE 2027
3 Year Budget Forecast		Ending Mar 31 2023	Ending Mar 31, 2024	Growth over YE23	Ending Mar 31 2025	Ending Mar 31 2026	Ending Mar 31 2027
NET FUND UNDER MANAGEMENT (INCOME-DISBURSEMENT)		ACTUALS	Actuals to end Feb 24		FORECAST	FORECAST	FORECAST
Funds under management - in Toronto Foundation		\$382,694	\$457,684	19.6%	\$650,037	\$934,924	\$1,281,629
Funds flow through / spend down - in chequing		\$130,588	\$41,326	-68.4%	\$98,346	\$106,124	\$115,863
4800- Federal Grant Funding		\$0	\$0	0.0%	\$0	\$0	\$0
Other Govt Grant Fund		\$0	\$0	0.0%	\$0	\$0	\$0
Total NET FUND BALANCE		513,282	499,010	-2.8%	748,383	1,041,048	1,397,493
OPERATING INCOME							
4100 ADMINISTRATION FEE - Roll UP		6,424.63	13,845.56	115.5%	28,664.80	54,100.67	67,027.07
Federal Grant Administration Fee		40,000.00	0.00	-100.0%			
All other Grants - Roll Up		21,908.21	0.00	-100.0%	79,000.00	107,000.00	30,000.00
4120 Event Income		0.00	3,545.42		2,000.00	2,000.00	2,000.00
4130 Foundations Opportunities Fund		17,585.76	14,252.85	-19.0%	15,652.85	16,652.85	17,579.78
4550 Sponsorships		6,000.00	11,481.85	91.4%	48,000.00	46,500.00	56,500.00
Total 4101 Operating Incomes		91,919	43,126	-53.1%	173,318	226,254	173,107

FY25 onwards growth rate 30%, but disburse 15% per year
 FY25 onwards growth rate 35% but disburse 70% per year
 Gov't grants flow through so net is zero
 Assumes \$180K fund by Jan 1 2025, completely disbursed biannually, admin fee 13% pending responsibilities

Assumes new funds at 3% admin fee & 13% admin for grant administration
 Federal admin fee granted in FY23 but executed in FY24
 Assumes municipal 18 mos support \$7/mth
 Assumes break event low budget events
 Moderate growth on opportunity fund
 Focused growth on sponsorships

Community Foundation of Kawartha Lakes		FY23 ACTUALS	FISCAL YE 2024	% Cng over YE23	Fiscal YE 2025	Fiscal YE 2026	FISCAL YE 2027
3 Year Budget Forecast		Ending Mar 31 2023	Ending Mar 31, 2024	Growth over YE23	Ending Mar 31 2025	Ending Mar 31 2026	Ending Mar 31 2027
OPERATING EXPENSES							
Contract Services		29,053	13,780	-52.6%	0	30,000	30,000
Rent		2,801.20	7,708.80	175.2%	8,160.00	8,400.00	8,640.00
Professional Fees		13,967.27	22,301.91	59.7%	17,800.00	17,800.00	17,800.00
Loan Repayment		7,500.00	7,500.00	0.0%	0.00	0.00	0.00
Insurance		2,715.12	2,115.72	-22.1%	2,300.00	2,300.00	2,500.00
Marketing / Advertising / Event Expense / Meals & E / Honorarium		2,487.94	7,071.80	184.2%	5,200.00	5,200.00	5,800.00
Technology / Software / Website / Subscriptions		4,633.20	4,067.91	-12.2%	5,122.78	3,804.78	4,404.78
Misc Office Expenses / Phone / Banking Charges		2,682.32	3,807.51	41.9%	4,192.00	4,192.00	4,192.00
Total 6600 Salaries and Benefits		42,938	95,784	123.1%	97,825	106,274	112,673
Total 6000 OPERATIONS EXPENSES		108,778	164,138	50.9%	140,600	177,971	186,010
NET CASHFLOW -- SURPLUS / DEFICIT. [INCOME / OPERATING EXPENSES]					\$32,718	\$48,282	(\$12,903)
Bank balance estimate							

PT Staff for grant administration / writing / donor comms
As part of Loan MOU, assume moderate inflation increase
FY23 digitizing & financial review, FY24 =2 audits & bookkeeping, continue annual audit & bookkeeping
New MOU has no interest payments
Assumes inflationary increases
Event expenses make event income neutral
All hardware is currently on loan, FY25 sees 1 computer, FY26 printer & inflation increases
Minimal mileage coverage to service CKL, inflation increase
Assumes restart benefits & Cost of Living Adjustment (COLA) by Sept 2024 (in FY25), COLA every September
Assumes thin marketing budget + inflation increases in licenses, insurance, etc

Over 4 year period, surplus will be used to pay previous deficits leading to a financial footing that is sustainable.

NOTE TO FINANCIAL STATEMENTS

Early Contributors to the Community Foundation's Growth

- Ability to apply for public and private grant enabled in Spring 2024
 - April 2024 completion of the FY23 Audit for the period April 1 2022 – March 31, 2023
 - May 2024 completion of unaudited financial statements for FY24 for the period April 1 2023 – March 31, 2024
 - Starting June 2024 of audit FY24, for a target completion August 2024 in time for CRA filing in September 2024
- Expanded fund opportunities capturing orphaned community projects
 - Amending CRA registration to include broader purposes allowing the Foundation to partner with Non-Qualified Donees, targeted submission June 2024 for estimated CRA approval by year end 2024.
- Restructured MOU with the KL Community Futures Development Corporation
 - Extended loan agreement till 2030 with no interest payments nor accrual
 - Financial risk of immediate repayment or interest rates appreciation is eliminated

Funds Managed

- We are assuming growth of approximately \$300K per year in total funds managed. Our growth rates are based on our FY24 performance, adjusted for conservative growth.
 - In FY24, funds managed grew by \$130K or 34%. Assuming a go forward growth rate at 30%.
 - In FY23, flow through / spend down funds grew by \$70K or 54%. Assuming a conservative growth rate of 35%.
 - To simplify our analysis, we are focused on the additional revenue from new funds under management and did not reflect any market gains in these funds. We do prioritize wealth preservation over gains, even still, our target growth is 5 -7% by the Toronto Foundation with 9.9% performance in the 2023 calendar year.
- 3. Disbursements, which reduce the fund balances, are based on FY24 performance.
 - In FY24, funds managed had a 24% disbursement rate. Assuming a conservative spend down of 15%.
 - In FY24, spend down funds had a 70% spend down rate. Assuming 70% rate.

Operating Revenue

This forecast shows major streams of revenue

- Administration Fees – new funds will be standardized to fees at 3% in FY25. Applying a blended rate of 2.6% in FY25 / FY26, then 3% in FY27 reflecting grandfathered admin rates of 2%.
- Federal grant funding is not included in this forecast as the foundation can not influence nor predict this funding element.
- Other grants include 18 months of operational support at \$7K/month (~\$85K per year) starting September 2024. Other grants also include private foundation applications which will be possible with the completion of current year audited statements.
- Event income is a brand awareness / donor engagement lever but not reflected as a major revenue source because it requires heavy resourcing to move past breakeven results.
- While relaunched, the Foundation's opportunity fund reflects individual donations and due to size on donation, shows moderate growth. This supports a more strategic focus on grant applications and sponsorships.

Operating Expenses

- Contract Services - Assuming PT contractor in YE26 to address grant administration and application.
- Rent - As part of BCDC MOU Loan agreement, Community Foundation of Kawartha Lakes agrees to rent office space in Launch which offers secure space for operations & financial records.
- Professional Fees - Assuming a cap on professional fees once the Foundation auditing is finished in YE25. This is balanced by digitization of all financial records.
- Loan Repayment - BCDC MOU Loan agreement was recently extended to 2030 with no interest payments nor accrual.
- Insurance – reflecting moderate inflationary increases over time.
- Marketing et al – includes moderate marketing, event expenses balanced by event income, meals associated with estate planning events, speaker fees for educational events
- Technology – assuming continued subscriptions to leading financial / fundraising platforms with first time acquisition of office hardware and equipment. Current equipment is all on loan.
- Salary & benefits – assumes restart of benefits for FT staff September 2024 with cost of living adjustments only.