Combined Financial Statements of

MAKEWAY

And Independent Auditor’s Report thereon

Year ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors of MakeWay Foundation and MakeWay Charitable Society

Report on the Audit of Financial Statements

Opinion

We have audited the combined financial statements of MakeWay Foundation and MakeWay Charitable Society (together referred to as the "Entity"), which comprise:

- the combined statement of financial position as at March 31, 2024
- the combined statement of operations for the year then ended
- the combined statement of changes in fund balances for the year then ended
- the combined statement of cash flows for the year then ended
- and notes to the combined 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 combined financial position of the Entity as at March 31, 2024, and its combined results of operations and its combined 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.

Emphasis of Matter - Basis of Preparation

We draw attention to Note 2(a) in the financial statements which describes the basis of preparation used in these financial statements and the purpose of the financial statements.

Our opinion is not modified in respect of this matter.

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 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 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied by the Entity in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
September 25, 2024

MAKEWAY

Combined Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	$ 53,690,781	$ 55,629,184
Accounts receivable (note 3)	5,551,850	2,391,955
Prepaid expenses and other assets	565,583	254,755
Current portion of loans receivable (note 4)	36,247	36,247
Short-term investment (notes 5(b) and 5(d))	554,000	2,500,000
	60,398,461	60,812,141
Loans receivable (note 4)	64,240	100,487
Investments (note 5)	48,040,395	44,512,421
Tangible capital assets (note 6)	10,922,957	9,977,958
Intangible assets (note 7)	751,089	977,008
	$ 120,177,142	$ 116,380,015
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ 4,521,360	$ 2,823,585
Loan payable (note 9)	106,333	150,333
Current portion of obligation under capital lease (note 10)	21,896	-
	4,649,589	2,973,918
Obligation under capital lease (note 10)	52,917	-
	4,702,506	2,973,918
Fund balances:		
Unrestricted	465,703	233,119
Restricted (note 11)	115,008,933	113,172,978
	115,474,636	113,406,097
Commitments (note 16)		
	$ 120,177,142	$ 116,380,015

See accompanying notes to the combined financial statements.

Approved on behalf of the Board:

Aerin Jacob, Treasurer

Joanna Kerr, President and CEO

MAKEWAY

Combined Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Revenues (note 12):						
Grants and donations	$ 9,982,412	$ 47,630,731	$ 57,613,143	$ 8,192,766	$ 54,347,578	$ 62,540,344
Fees for services	11,134	5,318,007	5,329,141	53,931	4,340,924	4,394,855
Other revenue	46,982	661,949	708,931	5,090	1,186,682	1,191,772
	10,040,528	53,610,687	63,651,215	8,251,787	59,875,184	68,126,971
Expenses:						
General and administrative (note 13)	11,933,561	-	11,933,561	9,593,684	-	9,593,684
Grant and program expenses (note 14)	-	56,364,283	56,364,283	-	43,787,258	43,787,258
	11,933,561	56,364,283	68,297,844	9,593,684	43,787,258	53,380,942
Excess (deficiency) of revenues over expenses, before the undernoted	(1,893,033)	(2,753,596)	(4,646,629)	(1,341,897)	16,087,926	14,746,029
Investment income, net (note 5)	1,728,742	4,986,426	6,715,168	1,155,355	787,924	1,943,279
Excess (deficiency) of revenues over expenses	$ (164,291)	$ 2,232,830	$ 2,068,539	$ (186,542)	$ 16,875,850	$ 16,689,308

See accompanying notes to the combined financial statements.

MAKEWAY

Combined Statement of Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

	2024			2023
	Unrestricted	Restricted	Total	Total
Fund balances, beginning of year	$ 233,119	$ 113,172,978	$ 113,406,097	$ 96,716,789
Excess (deficiency) of revenues over expenses	(164,291)	2,232,830	2,068,539	16,689,308
Interfund transfers (note 18)	396,875	(396,875)	-	-
Fund balances, end of year	$ 465,703	$ 115,008,933	$ 115,474,636	$ 113,406,097

See accompanying notes to the combined financial statements.

MAKEWAY

Combined Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

		2024		2023
Cash provided by (used in):				
Operating:				
Excess of revenues over expenses	$	2,068,539	$	16,689,308
Items not involving cash:				
Amortization of tangible capital assets		601,470		453,995
Amortization of intangible assets		225,919		226,008
Write down of loan receivable		-		47,549
Unrealized (gain) loss on investments		(2,144,545)		1,675,817
		751,383		19,092,677
Changes in non-cash operating items:				
Accounts receivable		(3,159,895)		14,037,468
Prepaid expenses and other assets		(310,828)		70,289
Accounts payable and accrued liabilities		1,697,775		(133,724)
		(1,021,565)		33,066,710
Financing:				
Repayment of obligation under capital lease (Note 10)		(12,773)		-
Repayment of loan payable		(44,000)		(44,000)
		(56,773)		(44,000)
Investing:				
Purchase of short-term investments and investments		(1,976,678)		(4,403,846)
Proceeds of loan receivable		36,247		47,550
Proceeds on return of capital of investments		2,539,249		179,692
Acquisition of tangible capital assets		(1,458,883)		(1,552,367)
		(860,065)		(5,728,971)
Increase (decrease) in cash		(1,938,403)		27,293,739
Cash, beginning of year		55,629,184		28,335,445
Cash, end of year	$	53,690,781	$	55,629,184
Supplementary cash flow information:				
Acquisition of equipment under capital lease	$	87,586	$	-

See accompanying notes to combined financial statements.

1. Purposes of MakeWay:

MakeWay Foundation (“Foundation”) and MakeWay Charitable Society (“Society”) operating jointly with shared purpose as ‘MakeWay’, are not-for-profit societies incorporated under the *Societies Act* (British Columbia).

MakeWay’s purpose is to build partnerships and solutions that help nature and communities thrive together. MakeWay works with funders and the not-for-profit sector, providing “solutions” that includes: grantmaking; advisory services; impact investing; a shared administrative platform; advised funds; and funding collaboratives.

Foundation is a national public foundation and Society is an operating charity. Foundation and Society, as registered charities under the *Income Tax Act* (Canada), are exempt from income taxes.

MakeWay receives grants and donations from individuals, foundations, governments and corporations. The distribution of funds for philanthropic purposes is through grant making and program activities that further MakeWay’s purpose to build partnerships and solutions that help nature and communities.

2. Significant accounting policies:

These combined financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - *Accounting*. MakeWay’s significant accounting policies are as follows:

(a) Principles of combination:

In April 2005, the members of Foundation and Society decided to operate the two organizations under common control. Foundation and Society have the same members, board of directors, and management. Consequently, the combined financial statements have been prepared as if Foundation and Society were a single organization (“MakeWay”) by the aggregation of their financial statements and the elimination of transactions and balances between them.

(b) Fund accounting:

In order to ensure observance of the limitations and restrictions placed on the use of resources available, these combined financial statements are prepared in accordance with fund accounting principles.

2. Significant accounting policies (continued):

(b) Fund accounting (continued):

For financial reporting purposes, the accounts have been classified into the following funds:

(*i*) Unrestricted fund:

The unrestricted fund comprises unrestricted funds for which purposes have not been specifically restricted and earned income. All general operating expenses, including fundraising and administrative costs, are charged to the unrestricted fund.

(*ii*) Restricted fund:

The restricted fund is comprised of (a) restricted funds for which the purposes have been restricted for specific designated purposes; (b) advised funds; (c) internally restricted funds for programmatic work; and (d) an internally restricted operating reserve fund. An advised fund is a fund where the donor retains the ability to recommend a grant to a qualified donee based on the purpose of the fund, or where that ability is held by community-appointed advisors. Advised funds are the property of MakeWay; however, MakeWay classifies these funds as restricted.

(c) Revenue recognition:

MakeWay follows the restricted fund method of accounting for contributions. Under the restricted fund method of accounting for contributions, unrestricted contributions are recognized as revenue of the unrestricted fund. Externally restricted contributions are recognized as revenue of the externally restricted fund to which they relate. The administrative fees, charged as outlined in the underlying agreements to cover core expenses incurred by MakeWay, are recognized as revenue of the unrestricted fund. Both unrestricted and externally restricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions include donations and grants.

Investment income, including interest and dividends, is recognized as revenue when earned. Externally restricted investment income earned on funds held by MakeWay are recorded to the related restricted fund. Changes in the market value of investments measured at fair value are recorded as gains (losses) in the combined statement of operations.

Fee for service revenue from advisory services is recognized as the services are provided in the related fund.

(d) Contributed materials and services:

Donated assets and services are recognized only when a fair value can be reasonably estimated and when the goods and services are used in the normal course of MakeWay's operations and would otherwise have been purchased.

2. Significant accounting policies (continued):

(d) Contributed materials and services (continued):

A substantial number of volunteers and corporate supporters contribute a significant amount of their time and services to MakeWay each year. Because of the difficulty in determining their fair value, the value of contributed services is not recognized in these combined financial statements.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. MakeWay has elected to carry its investments in money market funds, pooled bond funds, and pooled equity funds at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction and financing costs incurred on acquisition, which are amortized using the straight-line method.

Financial assets measured at amortized cost include cash, accounts receivable, loans receivable, short-term investments, and certain investments. Financial assets measured at cost included limited investment partnerships.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and loan payable.

Financial assets recorded at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, MakeWay determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount MakeWay expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Leases:

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to MakeWay are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Payments under operating leases are expensed as incurred.

2. Significant accounting policies (continued):

(g) Tangible capital assets:

Tangible capital assets are initially recorded at cost. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. Amortization is provided on a straight-line basis over the estimated useful lives of assets as follows:

Asset	Rate
Building	25 - 28 years
Tiny homes	20 years
Furniture and equipment	3 - 10 years
Leasehold improvements	Remaining term, including one renewal option
Moorage	20 years

Equipment under capital lease is amortized over the estimated useful life of the asset. Construction in progress is not amortized until the asset is available for use. Land is not amortized. Cultural artifacts that MakeWay intends to protect and preserve with value that is worth preserving perpetually are not amortized.

(h) Intangible assets:

Software and licenses and permits are initially recorded at cost and amortized on a straight-line basis over the estimated useful life of the assets as follows:

Asset	Rate
Computer software	3 years
Enterprise software	10 years
Licenses and permits	Over the term of the license or permit

(i) Impairment of long-lived assets:

MakeWay reviews the carrying amount of long-lived assets, including tangible capital assets and intangible assets, for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to MakeWay’s ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the combined statement of operations at the amount by which the carrying amount of the long-lived asset exceeds the greater of its fair value or replacement cost.

2. Significant accounting policies (continued):

(j) Expense allocations:

Shared expenses, are allocated to the unrestricted fund and the restricted fund based on the underlying nature of the expense and in accordance with MakeWay policies.

(k) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currency are translated into Canadian dollars at the exchange rate prevailing at the combined statement of financial position date. Non-monetary items are translated at the rate in effect at the time the asset was acquired, or the liability was realized. Revenue and expenses are translated at the rate prevailing at the time of the transaction.

(l) Use of estimates:

The preparation of combined financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Accounts receivable:

	2024	2023
Fees for services	$ 367,231	$ 463,562
Grants	4,505,696	1,261,206
Other	678,923	667,187
	$ 5,551,850	$ 2,391,955

4. Loans receivable:

MakeWay has loaned funds in the form of promissory notes to the New Market Funds Society, a community-focused impact investment intermediary, organized as a registered charity. These amounts are unsecured and do not bear interest. Maturity dates were amended in December 2020 and range from December 20, 2024 to December 20, 2026. The amount due in December 2024 of $36,247 is presented as current in the combined statement of financial position. During the year ended March 31, 2024, nil (2023 - $47,549) was recorded as a write-off for overdue payments not expected to be collected.

5. Investments:

		2024		2023
Investments carried at fair value:				
Money market funds (a)	$	301,475	$	316,640
Pooled and private bond funds (a)		17,460,601		16,933,008
Pooled equity funds		28,551,334		25,496,894
Pooled private equity funds		247,415		237,272
		46,560,825		42,983,814
Investments carried at cost or amortized cost:				
Term deposit (b)		554,000		554,000
Limited investment partnerships and private investments carried at cost (c)		1,479,570		974,607
Guaranteed Investment certificate ("GIC") (d)		-		2,500,000
		2,033,570		4,028,607
Total		48,594,395		47,012,421
Less short-term investment (b) and (d)		554,000		2,500,000
	$	48,040,395	$	44,512,421

(a) Money market and pooled and private bond funds have a weighted average yield of between 4.86% and 4.66% (2023 - 3.93% and 4.48%), respectively.

(b) The term deposit bears interest at a rate of 2.875% and has a maturity date of May 20, 2024. Accrued interest is included in other accounts receivable (note 3).

(c) Limited investment partnerships, consisting of units invested in social venture funds, and private investments are to invest in program related sectors that are critical for a sustainable environment and economy and to generate investment returns. The companies invested in by the funds are private companies and fair value is not readily determinable as there is no comparative market data available. As such, these investments are carried at cost less any impairment. MakeWay has committed to purchasing additional units in certain social venture funds (note 16(b)).

(d) The GIC bore interest at a rate of 5.25% and matured on December 21, 2023.

Investment income comprises the following:

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Interest income	$ 1,728,565	$ 2,002,779	$ 3,731,344	$ 1,204,290	$ 2,249,345	$ 3,453,635
Distribution income (loss)	-	759,357	759,357	(3,035)	216,065	213,030
Unrealized gain (loss)	-	2,144,545	2,144,545	-	(1,675,817)	(1,675,817)
Other	177	79,745	79,922	(45,900)	(1,669)	(47,569)
	$ 1,728,742	$ 4,986,426	$ 6,715,168	$ 1,155,355	$ 787,924	$ 1,943,279

6. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	$ 1,871,420	$ -	$ 1,871,420	$ 1,871,420
Building	4,968,806	472,673	4,496,133	4,681,932
Tiny homes (a)	2,058,633	49,534	2,009,099	-
Furniture and equipment	1,744,673	574,181	1,170,492	1,089,891
Equipment under capital lease (note 10)	103,088	8,591	94,497	-
Leasehold improvements	629,373	261,071	368,302	426,022
Moorage	818,171	61,883	756,288	815,192
Cultural artifacts	136,058	-	136,058	20,000
Construction-in-progress (a) and (b)	20,668	-	20,668	1,073,501
	$ 12,350,890	$ 1,427,933	$ 10,922,957	$ 9,977,958

(a) Construction-in-progress, as at March 31, 2023, related to four tiny homes built for a project. During the year ended March 31, 2024, the project was complete, and the net book value was transferred to tiny homes. MakeWay has a permit to utilize the land on which the building sits until 2050.

(b) Construction-in-progress, as at March 31, 2024, relates to the construction of an authorized helicopter landing zone. The site is being used for immersive Indigenous language and culture camps and includes building, tiny homes and other fixed assets. MakeWay has a permit to utilize the land until 2050.

7. Intangible assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer software	$ 57,930	$ 57,930	$ -	$ 20,330
Enterprise software	2,026,316	1,312,123	714,193	917,032
Licenses and permits	55,000	18,104	36,896	39,646
	$ 2,139,246	$ 1,388,157	$ 751,089	$ 977,008

8. Government remittances payable:

Included in accounts payable and accrued liabilities, as at March 31, 2024, are government remittances payable of $73,248 (2023 - $50,389) relating to payroll taxes.

9. Loan payable:

In September 2021, MakeWay borrowed $220,000 for the purchase of a used crew boat. The term is 60-months and interest is calculated at prime rate plus 0% per annum. The loan is secured by a first-priority specific security interest on the crew boat and assignment of all insurance policies related to the crew boat with the commercial bank as a first loss payee. As the loan is due on demand, the entire amount is presented as current. Although the loan is due on demand, the payment terms provide for the principal to be repayable in equal monthly instalments of $3,667.

10. Obligation under capital lease:

In August 2023, MakeWay entered into an equipment lease for the lease and purchase of a new tractor trailer. Capital lease repayments are due as follows:

2025	$ 21,896
2026	21,896
2027	21,896
2028	9,125
Total minimum lease payments	74,813
Current portion of obligation under capital lease	21,896
	$ 52,917

11. Restricted fund:

As at March 31, the restricted fund consists of:

	2024	2023
Externally restricted funds for programmatic work	$ 57,809,822	$ 55,265,868
Advised funds	44,504,048	40,812,724
Internally restricted funds for programmatic work	9,136,430	14,243,493
Internally restricted operating reserve fund	3,558,633	2,850,893
	$ 115,008,933	$ 113,172,978

12. Revenue by source:

	Advised funds	Programs	2024 Total	2023 Total
Government:				
Federal	$ -	$ 4,324,908	$ 4,324,908	$ 3,484,129
Provincial / territorial	-	4,298,859	4,298,859	2,841,001
Municipal	-	1,301,633	1,301,633	738,220
	-	9,925,400	9,925,400	7,063,350
Non-government:				
Foundations, charities and nonprofits	11,531,575	37,070,397	48,601,972	51,360,075
Individuals and families	3,060,144	361,849	3,421,993	2,103,875
Businesses	238,658	1,463,192	1,701,850	7,599,671
	14,830,377	38,895,438	53,725,815	61,063,621
	$ 14,830,377	$ 48,820,838	$ 63,651,215	$ 68,126,971

13. General and administrative expenses:

	2024	2023
Staff costs	$ 9,316,351	$ 7,610,537
Office	1,138,540	992,863
Amortization	349,675	333,921
Professional services	633,860	299,381
Travel	293,979	129,556
Communications	111,211	103,412
Finance costs	8,700	6,275
Events and programming	81,245	117,739
	$ 11,933,561	$ 9,593,684

14. Grants and program expenses:

	2024	2023
Grants and expenses made from advised funds	$ 11,126,444	$ 3,252,591
Program grants and expenses:		
Shared Platform programming (a)	30,955,895	28,549,649
BC Program (b)	7,324,907	5,115,709
Northern Program (c)	3,595,480	4,094,954
Manitoba Programs (d)	1,325,692	1,915,954
Saskatchewan Program (d)	274,866	-
National and cross-regional programs and advisory services (e)	1,760,999	858,401
	45,237,839	40,534,667
	$ 56,364,283	$ 43,787,258

14. Grants and program expenses (continued):

MakeWay programming builds partnerships and provides solutions, grants, and services for the charitable and philanthropic sector in support of a vision of a world where nature and communities thrive together. Program priorities include: healthy lands and waters, Indigenous authority and cultural resurgence; transformed and Indigenous food systems; fair earth living and climate action; shared wealth and economic well-being; bold inclusive leadership for healing and justice.

(a) The Shared Platform programming supports over 60 community-led projects across Canada to address social and environmental issues including: climate change; Indigenous cultural resurgence; land and water conservation; digital justice; food security and sovereignty; refugee support; and youth leadership.

(b) The BC Program partners with Indigenous communities, funders, the non-profit sector, and governments to advance healthy lands and waters; Indigenous cultural resurgence and Indigenous-led conservation; community well-being; and systems change.

(c) The Northern Program advances innovative community-led solutions in the following priority areas: emerging northern leaders; land and water stewardship; sustainable livelihoods; Indigenous cultural resurgence.

(d) The Prairies Programs includes the Northern Manitoba Food, Culture and Community Collaborative which supports communities in Northern Manitoba to increase access to healthy food and to improve community health and sustainable livelihoods, in addition to other emerging programs in Saskatchewan and Manitoba.

(e) National and cross-regional programs include initiatives that advance feminist leadership for climate action and convening initiatives working on Indigenous food systems across regions to advance shared learning and networking.

MakeWay also hosts funding collaboratives, provides philanthropic advisory services and manages hundreds of community and donor-advised funds that grant to mission-aligned charitable activities across the country.

15. Financial risks:

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject MakeWay to concentrations of credit risk are cash, receivables and investments in pooled funds that hold debt securities that are exposed to such risks.

Substantially all cash is held by one Canadian chartered bank.

15. Financial risks (continued):

(a) Credit risk (continued):

The maximum exposure to credit risk in terms of receivables, including loans receivable, is $5,652,338 as at March 31, 2024 (2023 - $1,438,341). MakeWay manages credit risk on receivables by ensuring sufficient security is in place.

MakeWay limits the credit risk of investments in money market funds and pooled bond funds by dealing principally with counterparties that maintain a credit rating of Single A or higher as rated by Dominion Bond Rating Service or equivalent.

(b) Liquidity risk:

Liquidity risk is the risk that MakeWay will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is managed by investing the majority of MakeWay's assets in investments that are traded in an active market and can be readily liquidated. In addition, MakeWay retains sufficient cash positions to maintain liquidity.

(c) 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. The investments of MakeWay are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

(*i*) 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. Investments in foreign securities are exposed to currency risk due to fluctuations in foreign exchange rates. MakeWay is exposed to currency risk on its foreign currencies held within its cash accounts and through its investments in pooled US and international equity funds.

The currency risk exposure, as at March 31, 2024, is $10,275,115 (2023 - $9,815,709) in United States funds and $7,949,423 (2023 - $11,715,328) in international funds.

(*ii*) Interest rate risk:

Interest rate risk is the risk that changes in market interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises primarily from MakeWay's investment in interest-bearing financial instruments. The value of fixed income securities will generally rise when interest rates fall and decrease when interest rates rise. Changes in interest rates may also affect the value of the loan payable and equity securities.

15. Financial risks (continued):

(c) Market risk (continued):

(*iii*) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rates.

All investments represent a risk of loss of capital. Investments held by MakeWay are susceptible to other price risk arising from uncertainties about future prices of the investments. The maximum risk resulting from the investments is determined by the fair value of their total investments.

MakeWay actively manages market risk through its investment policy that outlines the objectives, constraints, and parameters related to its investment activities. The Finance and Investment Committee and management regularly review MakeWay's investments to ensure all activities adhere to the investment policy.

There have been no significant changes in risk exposure from fiscal 2023.

16. Commitments:

(a) Grants:

As of March 31, 2024, MakeWay has committed to grants totaling $4,267,773 in future conditional payments. Payment of these grants is conditional on the recipients meeting certain criteria and providing certain supporting information. As a result, these grants are not recognized as expenses or liabilities in these combined financial statements as at and for the year ended March 31, 2024.

(b) Investments:

As at March 31, 2024, the remaining commitment of $187,712 is required at the call of the general partner when further investment capital is required in certain social venture funds.

(c) Operating leases:

As at March 31, 2024, annual minimum lease payments under MakeWay's operating leases for premises in Vancouver, Toronto, Yellowknife, Whitehorse, Winnipeg and Alert Bay are as follows:

2025	$	415,129
2026		109,306
2027		79,560
2028		34,020
	$	638,015

17. Remuneration disclosures:

The *Societies Act* (British Columbia) requires that societies, other than member-funded societies, disclose remuneration paid to directors and highest paid employees or contractors for services based on amounts paid over $75,000.

For the year ended March 31, 2024, Foundation paid remuneration of $7,305,089 (2023 - $6,566,577) to 63 (2023 - 55) employees and contractors for services with amounts greater than $75,000.

For the year ended March 31, 2023, Society paid remuneration of $6,811,149 (2023 - $6,179,331) to 66 (2023 - 61) employees and contractors for services with amounts greater than $75,000.

No Board member received any salary, wages, fees, commissions, or other amount for services rendered to the organization in their capacity as a director.

18. Interfund transfers:

2024	Unrestricted	Restricted	Total
Deferred administrative fee from restricted fund	$ 400,000	$ (400,000)	$ -
Approved transfers from unrestricted fund to restricted funds, for programmatic work	(3,125)	3,125	-
	$ 396,875	$ (396,875)	$ -

2023	Unrestricted	Restricted	Total
Deferred administrative fee from restricted fund	$ 400,000	$ (400,000)	$ -
Approved transfers from unrestricted fund to restricted funds, for programmatic work	(211,734)	211,734	-
Approved transfer from restricted funds to unrestricted funds	268,590	(268,590)	-
	$ 456,856	$ (456,856)	$ -