Canadian Constitution Foundation

Financial Statements
March 31, 2021

Independent auditor's report

To the Members of Canadian Constitution Foundation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Constitution Foundation (the 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.

What we have audited
The Foundation's financial statements comprise:

- the balance sheet as at March 31, 2021;
- the statement of operations and net assets for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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 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 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 5, 2021

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Canadian Constitution Foundation

Balance Sheet

As at March 31, 2021

	2021 $	2020 $
Assets		
Current assets		
Cash	3,524,382	1,852,518
Other receivables	3,650	84,356
Recoverable taxes	40,941	43,641
Prepaid expenses	22,897	17,565
	3,591,870	1,998,080
Capital assets – net (note 4)	12,307	13,905
	3,604,177	2,011,985
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	501,400	155,046
Deferred contributions (note 5)	1,041,465	581,934
	1,542,865	736,980
Net Assets		
Net assets invested in capital assets	12,307	13,905
Unrestricted net assets	2,049,005	1,261,100
	2,061,312	1,275,005
	3,604,177	2,011,985

Commitments (note 6)

Approved by the Board of Directors

DocuSigned by:
Brad Dunkley
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Director

Director

The accompanying notes are an integral part of these financial statements.

Canadian Constitution Foundation

Statement of Operations and Net Assets

For the year ended March 31, 2021

	2021 $	2020 $
Revenue		
Unrestricted contributions and grants	1,520,479	995,005
Recognition of restricted contributions (note 5)	1,632,241	2,254,898
Other revenue	2,525	13,954
Government assistance - CEWS	184,653	-
	3,339,898	3,263,857
Expenses		
Project activities	1,804,455	2,345,246
Staff salaries and benefits	488,146	500,487
Office and administration	206,054	189,368
Travel and fundraising	51,097	42,907
Amortization	3,210	3,662
Realized loss	629	-
	2,553,591	3,081,670
Excess of revenue over expenses	786,307	182,187
Net assets – Beginning of year	1,275,005	1,092,818
Net assets – End of year	2,061,312	1,275,005

The accompanying notes are an integral part of these financial statements.

Canadian Constitution Foundation

Statement of Changes in Net Assets

For the year ended March 31, 2021

			2021	2020
	Invested in capital assets $	Unrestricted $	Total $	Total $
Balance – Beginning of year	13,905	1,261,100	1,275,005	1,092,818
(Deficiency) excess of revenue over expenses	(1,598)	787,905	786,307	182,187
Balance – End of year	12,307	2,049,005	2,061,312	1,275,005

The accompanying notes are an integral part of these financial statements.

Canadian Constitution Foundation

Statement of Cash Flows

For the year ended March 31, 2021

	2021 $	2020 $
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	786,307	182,187
Items not affecting cash – amortization	3,210	3,662
	789,517	185,849
Changes in non-cash working capital items		
Other receivables	80,706	(70,599)
Recoverable taxes	2,700	34,610
Prepaid expenses	(5,332)	(900)
Accounts payable and accrued liabilities	346,354	95,127
Deferred contributions	459,531	32,068
	883,959	90,306
Investing activities		
Expenditures on capital assets	(1,612)	(3,387)
Increase in cash	1,671,864	272,768
Cash – Beginning of year	1,852,518	1,579,750
Cash – End of year	3,524,382	1,852,518

The accompanying notes are an integral part of these financial statements.

1 Purpose of the not-for-profit organization

The Foundation's mission is to protect the constitutional freedoms of Canadians through education, communication and litigation.

The Canadian Constitution Fund (the Fund) was dissolved on May 15, 2016.

The Foundation was incorporated on April 18, 2002 under the Canada Corporations Act as a not-for-profit organization. The Foundation qualifies for tax-exempt status as a registered charity under the Income Tax Act.

2 Accounting policies

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a going concern basis that assumes the Foundation will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include amounts on deposit with financial institutions and term deposits that mature within three months from the date of acquisition.

Capital assets

Capital assets are recorded at cost. Amortization is recorded at the following rates, which have been established by estimates of useful lives:

Computer hardware	45% declining balance
Furniture and equipment	20% declining balance
Website	45% declining balance

Revenue recognition

The Foundation follows the deferral method of accounting for revenue. Unrestricted contributions are recognized as revenue when received. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Other revenue is recognized when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Contributions are received primarily from individual donors, private companies and other charitable organizations.

Contributed materials and services

Volunteers contribute significant hours per year to assist the Foundation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are recognized at their fair value. For the year ended March 31, 2021, there have been $nil in-kind donations (2020 – $nil).

Management's use of estimates

When preparing financial statements according to ASNPO, management makes estimates and assumptions that affect the reported amounts of revenues and expenses during the year, the reported amounts of assets and liabilities at the date of the financial statements, and the disclosure of contingent assets and liabilities at the date of the financial statements. Management bases its assumptions on a number of factors including historical experience, current events, actions that the Foundation may undertake in the future, and other assumptions believed reasonable under the circumstances. Material measurement uncertainties include estimates of useful lives of capital assets and estimates of collectibility of accounts receivable. Actual results could differ from those estimates.

COVID-19

In March 2020, the World Health Organization declared a global pandemic related to the coronavirus disease known as COVID-19 (COVID-19). The Canadian not-for-profit sector is expected to be impacted due to the economic environment and related uncertainty, which may cause a potential decrease in contributions and donations and may affect collectibility and valuation of certain assets.

To date the outbreak and continuing spread of COVID-19 and the related disruption to the economy have not had a significant impact on its assets, liabilities and operations. The Foundation continues to pay close attention to these recent developments and evaluate their potential impact on the Foundation's operations and financial reporting matters.

Government assistance

Government assistance related to current year operations is recognized in net assets. Government assistance in relation to Canada Emergency Wage Subsidy (CEWS) is shown in revenue as government assistance in the statement of operations and net assets and is recognized when there is reasonable assurance that the Foundation has complied and will continue to comply with the conditions for receipt of the assistance. CEWS covers employers who have suffered a drop in gross revenues during 2020 that exceed certain thresholds. During the year, the Foundation received $184,653 in CEWS from the federal government.

3 Income taxes

The Foundation is registered in Canada as a tax-exempt charitable organization under the Income Tax Act. Accordingly, donations to the Foundation are deductible for income tax purposes by donors from Canada and the Foundation is not subject to income tax.

4 Capital assets

			2021	2020
	Cost $	Accumulated amortization $	Net $	Net $
Computer hardware	21,578	19,702	1,876	773
Furniture and equipment	35,762	25,496	10,266	12,832
Website	67,366	67,201	165	300
	124,706	112,399	12,307	13,905

5 Deferred contributions

Deferred contributions represent unspent resources externally restricted for a designated use. Changes in deferred contributions are as follows:

	2021 $	2020 $
Beginning balance	581,934	549,865
Donations	1,992,273	2,133,168
Funds used	(1,532,742)	(2,101,099)
Ending balance	1,041,465	581,934

Restricted donations of $75,000 (2020 – $95,000) and unrestricted donations of $nil (2020 – $50,000) were made by the Willard Garfield Weston Foundation, of which Mark Mitchell is a director and was also a director of the Foundation during part of the year and therefore a related party. An additional $nil (2020 – $6,305) restricted donation was received from a director. Unrestricted contribution revenue of $6,206 (2020 – $4,000) was received during the year from other directors.

6 Lease commitments

In June 2019, the Foundation entered into a five-year lease with annual payments as follows, as well as entering into a six-month contract for a shared office space in Toronto in April 2021:

	$
2022	21,971
2023	14,971
2024	14,971
2025	8,733
	60,646

7 Financial instruments

The Foundation can be exposed to various risks through its financial instruments. The financial instruments used by the Foundation include cash and accounts payable and accrued liabilities. The carrying amounts of these financial instruments represent their fair values due to their short-term maturities.

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Foundation is not exposed to significant currency risk.

b) Interest rate risk

Interest rate risk is the risk that the Foundation's investments will change in fair value due to future fluctuations in market interest rates. The Foundation is not exposed to significant interest rate risk.

c) Market and other price risk

Market and other price risk is the risk that the fair value of an investment will fluctuate due to changes in market conditions. Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Foundation is not exposed to significant market or other price risk.

d) Credit risk

Credit risk is the risk of loss resulting from failure of an individual or group to honour their financial obligations. The Foundation's accounts receivable are not significant and are considered fully collectible. As such, the Foundation is not subject to significant credit risk.

e) Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity risk is to ensure that it will have sufficient working capital and unrestricted cash flows to fund operations and settle liabilities when due. The Foundation is not subject to significant liquidity risk.