Canadian Constitution Foundation

Financial Statements

March 31, 2026

(in Canadian dollars)

Independent auditor's report

To the Board of Directors 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, 2026 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, 2026;
- the statement of operations 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.

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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.

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
Calgary, Alberta
August 21, 2026

Canadian Constitution Foundation

Balance Sheet

As at March 31, 2026

(in Canadian dollars)

	Note	2026	2025
		$	$
Assets			
Current assets			
Cash and cash equivalents		3,707,168	3,129,068
Short-term investments		1,710,378	1,655,620
Accounts and other receivables		44,250	118,479
Recoverable taxes		50,760	39,000
Prepaid expenses		16,338	11,244
		5,528,894	4,953,411
Capital assets	3	3,458	4,376
		5,532,352	4,957,787
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		187,922	122,713
Deferred contributions	4	1,379,646	1,179,053
		1,567,568	1,301,766
Net Assets			
Invested in capital assets		3,458	4,376
Unrestricted		3,961,326	3,651,645
		3,964,784	3,656,021
		5,532,352	4,957,787

Subsequent events 9

Approved by the Board of Directors

_________________________ Director   _________________________ Director

Canadian Constitution Foundation

Statement of Operations

For the year ended March 31, 2026

(in Canadian dollars)

	Note	2026	2025
		$	$
Unrestricted contributions and grants		2,197,902	2,309,706
Recognition of restricted contributions	4	782,863	703,291
Primary documents reimbursement		146,000	180,000
Interest income		86,974	124,980
		3,213,739	3,317,977
Staff salaries and benefits	6	1,070,459	1,006,015
Project activities		929,098	922,027
Office and administration		492,644	394,155
Travel and fundraising		228,308	220,322
Primary documents		183,549	149,701
Amortization		918	1,194
		2,904,976	2,693,414
Excess of revenue over expenses for the year		308,763	624,563

Canadian Constitution Foundation
Statement of Changes in Net Assets
For the year ended March 31, 2026

(in Canadian dollars)

	2026			2025
	Invested in capital assets	**Unrestricted**	**Total**	**Total**
	$	**$**	**$**	**$**
Net assets - Beginning of year	4,376	3,651,645	3,656,021	3,031,458
Excess of revenue over expenses for the year	(918)	309,681	308,763	624,563
Net assets - End of year	3,458	3,961,326	3,964,784	3,656,021

Canadian Constitution Foundation

Statement of Cash Flows

For the year ended March 31, 2026

(in Canadian dollars)

	2026	2025
	$	$
Cash provided by (used in)		
Operating activities		
Net income for the year	308,763	624,563
Item not affecting cash		
Amortization	918	1,194
	309,681	625,757
Changes in non-cash working capital items		
Accounts and other receivables	74,229	(69,902)
Recoverable taxes	(11,760)	(13,739)
Prepaid expenses	(5,094)	3,568
Accounts payable and accrued liabilities	65,209	(3,902)
Deferred contributions	200,593	(300,817)
	632,858	240,965
Investing activities		
Purchase of short-term investments	(3,413,523)	(3,271,831)
Sale of short-term investments	3,358,765	3,167,156
	(54,758)	(104,675)
Increase in cash and cash equivalents during the year	578,100	136,290
Cash and cash equivalents - Beginning of year	3,129,068	2,992,778
Cash and cash equivalents - End of year	3,707,168	3,129,068

(in Canadian dollars)

1. Purpose of the not-for-profit organization

Canadian Constitution Foundation's (the Foundation) 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 (Canada).

Accordingly, donations to the Foundation are deductible for income tax purposes by donors from Canada and the Foundation is not subject to income tax.

2. Significant accounting policies

Basis of preparation

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. During the year, there were no cash equivalents (2025 - $nil).

Short-term investments

Short-term investments consist of term deposits held with financial institutions with maturities between three months and one year at the date of acquisition.

Capital assets

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

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

(in Canadian dollars)

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. Interest earned on the restricted funds is recorded as deferred contributions and recognized as revenue once the expenses are incurred.

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 the fair value, contributed services are not recognized in the financial statements. Contributed materials are recognized at fair value. For the year ended March 31, 2026, there have been $nil in-kind donations (2025 - $nil).

Management's use of estimates

When preparing financial statements according to ASNPO, management makes estimates and assumptions that affect the reported amounts of revenue and expenses during the year, the reported amounts of assets and liabilities as at the date of the financial statements and the disclosure of contingent assets and liabilities as 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 collectability of accounts receivable. Actual results could differ from those estimates.

Financial instruments

The Foundation initially measures financial assets originated or acquired and financial liabilities issued or assumed in an arm's length transaction at fair value. It subsequently measures its financial assets and financial liabilities at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents, short-term investments, accounts and other receivables and recoverable taxes. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets originated or acquired and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayment terms, cost is determined as the sum of undiscounted cash flows less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Foundation in the transaction.

Transaction costs on the financial assets and liabilities measured at amortized cost are adjusted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method.

At the end of each reporting period, the Foundation assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the Foundation determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized.

If circumstances change, a previously recognized impairment may be reversed to the extent of the improvement, provided the adjusted carrying amount is no greater than the amount that would have been recognized if the impairment had not been recorded.

(in Canadian dollars)

Cloud computing arrangement

Effective April 1, 2024, the Foundation adopted Accounting Guideline 20 (AcG-20) - Customer's Accounting for Cloud Computing Arrangements. The Foundation has elected to apply the simplification approach, under which all costs related to cloud computing service arrangements are expensed as incurred.

Although AcG-20 was not formally adopted in prior periods, the Foundation had already applied a consistent accounting treatment by expensing such costs as incurred. As a result, the adoption of AcG-20 did not result in a change in accounting policy or adjustments to prior period balances.

3. Capital assets

			2026	2025
	Cost	Accumulated amortization	Net	Net
	$	$	$	$
Machinery	1,025	1,025	-	-
Furniture and equipment	35,762	32,399	3,363	4,204
Computer hardware	21,578	21,483	95	172
	58,365	54,907	3,458	4,376

Amortization

Capital assets totaling $68,391 (2025 - $67,366) have been recorded and are fully amortized. These items are considered to be still in use by the Foundation.

4. Deferred contributions

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

	2026	2025
	$	$
Balance - Beginning of year	1,179,053	1,479,870
Donations	957,500	367,805
Interest	25,956	36,351
Funds used	(782,863)	(704,973)
Closing balance	1,379,646	1,179,053

Included in deferred contributions is $1.09 million related to the Cambie Surgeries matter (2025 - $1.02 million). During the year, the Foundation received additional restricted donations of $169,556 for this matter (2025 - $1,672). These funds remain externally restricted and will continue to be deferred until the related expenditures are incurred or until the Foundation obtains the necessary approval to redirect the funds for another eligible purpose. As at March 31, 2026, the matter had received leave to appeal the cost award determination with the Government of British Columbia, and subsequent to March 31, 2026 (note 9), the appeal was dismissed.

(in Canadian dollars)

5. Lease commitments outstanding

In fiscal 2026, the Foundation's existing five-year lease agreement was amended with annual payments starting in August 2025, as follows:

	$
2027	54,353
2028	54,851
2029	41,138
	150,342

6. Termination Benefits

Staff salaries and benefits include $920 (2025 - $88,616) severance payment for a terminated employee, in accordance with the termination agreement. The entire amount accrued was paid out before March 31, 2026.

7. Related party transactions

Unrestricted contributions of $119,250 (2025 - $57,181) and $6,525 restricted contributions (2025 - $1,000) were received during the year from directors. As at March 31, 2026, there was no balance due to/from related parties (2025 - $nil).

8. Financial instrument risk

Financial risk management

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

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.

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 and other receivables are not significant and are considered fully collectible. As such, the Foundation is not subject to significant credit risk.

Market risk

Market risk 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. The short-term investments are Guaranteed Investment Certificates (GICs), and the fair value does not fluctuate.

(in Canadian dollars)

Interest rate risk

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

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.

9. Subsequent events

The Cambie case has been ongoing for several years, with the case sitting in the British Columbia Court of Appeal as at March 31, 2026, awaiting a decision with respect to the cost award. On June 16, 2026, the British Columbia Court of Appeal dismissed the appeal of the cost award, which means Cambie Surgeries is responsible for the $1.6 million cost award. As at March 31, 2026, there were deferred contributions of $1.1 million in the Foundation’s account relating to this case on the balance sheet. The British Columbia government has not provided any direction on timing for payment of the costs. Until a request is made by the British Columbia government, the deferred amounts on the books of the Foundation pertaining to this case remain deferred.