

Financial statements

Max Bell Foundation

December 31, 2024

Independent auditor's report

To the Members of the
Max Bell Foundation

Opinion

We have audited the accompanying financial statements of the **Max Bell Foundation** [the "Foundation"], which comprise the statement of financial position as at December 31, 2024 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial present fairly, in all material respects, the financial position of the Foundation as at December 31, 2024, and its results of 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 audit of the financial statements* section of our report. We are independent of the Foundation in accordance with 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 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 responsibility 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 matter, 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.

Calgary, Canada
May 15, 2025

Ernst & Young LLP

Chartered Professional Accountants

Max Bell Foundation

Statement of financial position

[in thousands of dollars]

As at December 31

	2024	2023
	\$	\$
ASSETS		
Current		
Cash	1,459	204
Accounts receivable and prepaid expenses	273	283
Total current assets	1,732	487
Investments [note 4]		
Shares	65,011	60,063
Bonds	16,890	16,831
Alternative - Limited Partnership	19,646	19,931
Alternative - Immigrant Access Fund Canada	700	350
Total investments	102,247	97,175
Capital assets, net [note 5]	35	34
	104,014	97,696
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued charges	118	104
Commitments [note 6]		
Net assets		
Contributed capital	15,854	15,854
Surplus	88,042	81,738
Total net assets	103,896	97,592
	104,014	97,696

See accompanying notes

On behalf of the Board:

Director

Director

Max Bell Foundation

Statement of operations

[in thousands of dollars]

Year ended December 31

	2024	2023
	\$	\$
REVENUE (NET)		
Interest	422	354
Dividends	3,764	3,401
Unrealized gain on investments <i>[note 4]</i>	6,159	5,385
Realized gain on sale of investments <i>[note 4]</i>	1,820	1,819
Grant	50	—
	12,215	10,959
EXPENSES		
Grants <i>[schedule]</i>	3,389	2,723
Charitable projects <i>[schedule]</i>	606	333
Grant administration	879	625
Investment management and other expenses <i>[note 5]</i>	1,037	752
	5,911	4,433
Excess of revenue over expenses	6,304	6,526

See accompanying notes

Max Bell Foundation

Statement of changes in net assets

[in thousands of dollars]

	Contributed capital	Surplus	Total
	\$	\$	\$
Balance, December 31, 2022	15,854	75,212	91,066
Excess of revenue over expenses	—	6,526	6,526
Balance, December 31, 2023	15,854	81,738	97,592
Excess of revenue over expenses	—	6,304	6,304
Balance, December 31, 2024	15,854	88,042	103,896

See accompanying notes

Max Bell Foundation

Statement of cash flows

[in thousands of dollars]

Year ended December 31

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses	6,304	6,526
Add (deduct) amounts not involving cash		
Unrealized gain on investments	(6,159)	(5,385)
Realized gain on sale of investments	(1,820)	(1,819)
Income and expenses within investment funds	(585)	(950)
Depreciation	9	15
	(2,251)	(1,613)
Net change in non-cash working capital related to operations	24	(175)
Cash used in operating activities	(2,227)	(1,788)
INVESTING ACTIVITIES		
Purchase of capital assets	(10)	(10)
Purchase of investments <i>[note 4]</i>	(3,833)	(3,989)
Proceeds from disposal of investments <i>[note 4]</i>	7,325	5,834
Cash provided by investing activities	3,482	1,835
FINANCING ACTIVITIES		
Deferred lease inducement	—	(2)
Repayment of long term debt	—	(4)
Cash used in financing activities	—	(6)
Net increase in cash for the year	1,255	41
Cash, beginning of year	204	163
Cash, end of year	1,459	204

See accompanying notes

Max Bell Foundation**Schedule****Schedule of grant payments**

[in thousands of dollars]

Year ended December 31

	2024	2023
	\$	\$
Barth Syndrome Foundation of Canada	10	10
Blueprint ADE	15	10
Boys and Girls Clubs of Canada	5	19
C.D. Howe Institute	16	2
Canada West Foundation	5	2
Canadian Children's Literacy Foundation	2	135
Canadian Education Association	27	—
Canadian Institute for Advanced Research	86	80
Carlton University	7	—
Child Welfare League	9	78
CIVIX	5	35
Coalition for a Better Future	3	—
Family Enterprise Foundation	15	5
Farmers for Climate Solutions	95	—
Governors of the University of Alberta	—	4
Governors of the University of Calgary	—	99
Imagine Canada	5	5
Indspire	5	5
Institute for Research on Public Policy	45	50
Islamic Family & Social Services Association	31	—
Janeway Children's Hospital Foundation	37	—
Martin Family Initiative	55	55
McGill University	1,550	1,000
McGill University - Advancement	7	3
Momentum	38	—
Muttart Foundation	—	50
National Music Centre	100	100
Nature Conservancy of Canada	5	5
Ontario Nature	11	23
Ophea	27	60
PHE Canada	20	—
Philanthropic Foundations Canada	9	9
Phoenix Residential Society	5	6
Prosper Canada	152	150
Public Policy Forum	1	1
Regina Symphony Orchestra	—	1
Regina YWCA	—	1
Sage Seniors Association	45	150
Sagesse Domestic Violence Prev.	—	5
Simon Fraser University	206	100
St. Boniface Hospital Foundation	—	40
St. Michael's Hospital Foundation	7	195
Study School Foundation (The)	—	3

Schedule of grant payments

[in thousands of dollars]

Year ended December 31

	2024	2023
	\$	\$
The Governors of the University of Calgary	151	—
The Natural Step (Canada) Inc.	19	5
The Study School Foundation	7	—
Toronto Metropolitan University	158	—
United Way Halifax	5	—
United Way of Winnipeg	10	10
University of Ottawa	57	85
University of Regina	3	3
University of Victoria	5	5
University of Waterloo	—	41
University of Western Ontario	120	—
Victoria Hospice & Palliative Care	5	5
WCS Wildlife Conservation Society	—	5
Wilfrid Laurier University	3	3
Windmill Microlending	70	65
Yellowstone to Yukon Conservation	25	—
York University	90	—
	3,389	2,723

See accompanying notes

Schedule of charitable projects

[in thousands of dollars]

Year ended December 31

	2024	2023
	\$	\$
Public Policy Training Institute	181	155
Max Bell School Public Policy Evaluation	—	23
Youth and Civic Engagement Project	10	35
PPTI Master Class	313	19
Policy Collaborative Evaluation	12	5
Policy Forward Event	30	22
Partner Network Event	32	20
50th Anniversary Events	—	54
PPTI Alumni Events	28	—
	606	333

See accompanying notes

Max Bell Foundation

Notes to the financial statements

[in thousands of dollars]

December 31, 2024

1. Basis of operation

Max Bell Foundation [the "Foundation"] is established exclusively for charitable purposes. Its purpose is to seek better educational, health, and environmental outcomes for Canadians. It pursues these goals by supporting innovative projects that inform public policy change. It supports civic engagement and resilient democratic institutions.

2. Summary of significant accounting policies

The financial statements of the Foundation have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada Handbook – Accounting Standards for Not-for-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and include the significant accounting policies described hereafter.

Investments

Investments in shares, bonds and limited partnership units that are quoted in an active market, acquired by the Foundation are recorded at fair market value, and the net change in unrealized market value for the year is reflected in the statement of operations.

Capital assets

Capital assets are recorded at cost less accumulated depreciation. The Foundation provides for depreciation using the declining balance method at rates designed to depreciate the cost of the capital assets over their estimated lives. Tenant improvements is amortized over five years. The annual depreciation rates are as follows:

Furniture	20%
Telecom equipment	30%
Computer equipment	55%
Computer software	50%
Tenant improvements	Straight line

Max Bell Foundation

Notes to the financial statements

[in thousands of dollars]

December 31, 2024

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Dividends are recorded as income on the record date and interest is recorded when earned. Realized gains and losses on investment sales are calculated on the average cost basis. Unrealized gains and losses represent the change in market value since the last reporting period.

Grants

Grants are recorded when disbursed.

Expenses

Expenses are allocated to grant administration and investment management and other expenses based on an estimate of expenses incurred applicable to each category.

Foreign currency translation

Foreign investment purchases, sales and income are recorded in Canadian dollars at exchange rates in effect at the transaction date. Foreign-denominated investments and accrued investment income are translated at year-end exchange rates. The exchange differences arising from this translation are included in the statement of operations.

Financial instruments

Financial instruments, including cash, accounts receivable and accounts payable and accrued charges, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

Max Bell Foundation

Notes to the financial statements

[in thousands of dollars]

December 31, 2024

3. Charitable status

The Foundation is a registered charity designated as a private foundation and, while registered, is exempt from income taxes. As part of maintaining its registration, the Foundation must meet an annual Disbursement Quota. The Foundation has amounts carried forward from prior years for a total disbursement excess as at December 31, 2024 of approximately \$224. The Disbursement Quota for the fiscal year ending December 31, 2025 will be approximately \$5,020.

4. Investments

	2024				2023
	Shares	Bonds	Alternative Investments	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	60,063	16,831	20,281	97,175	90,866
Purchase of investments	3,072	376	385	3,833	3,989
Proceeds from disposal of investments	(4,214)	-	-	(4,214)	(4,249)
Fund distributions	-	-	(3,111)	(3,111)	(1,585)
Income and expenses within investment funds, net	-	-	585	585	950
Gain on sale of investments	1,794	-	26	1,820	1,819
Unrealized gain on investments	4,296	(317)	2,180	6,159	5,385
Balance, end of year	65,011	16,890	20,346	102,247	97,175

Max Bell Foundation

Notes to the financial statements [in thousands of dollars]

December 31, 2024

Shares

	2024		2023	
	Market value \$	Cost \$	Market value \$	Cost \$
Canadian	10,930	7,076	10,578	6,932
Foreign	54,081	29,238	49,485	28,731
	65,011	36,314	60,063	35,663

The Foundation's equity investments are held as portfolio investments and are generally readily marketable. Investments are limited to shares that are publicly traded on a recognized securities market. Any exceptions require Board of Directors approval prior to their purchase. As at December 31, 2024, all equity investments were publicly traded on a recognized exchange.

Bonds

The Foundation's investment managers have invested in bonds and pooled bond funds. As at December 31, 2024, the Foundation held bonds at cost of \$19,023 [2023 – \$18,647] and a market value of \$16,890 [2023 – \$16,831].

Alternative investments

Alternative investments may include promissory notes receivable, units in hedge funds, private equity, infrastructure or real estate pooled funds. These funds are offered by prospectus or offering memorandum, and by allowable investment structures for private foundations in Canada, including limited partnerships. They have been approved by the Board of Directors prior to investment. Alternative Investments had a cost of \$12,238 [2023 – \$14,352] and a market value of \$20,346 [2023 – \$20,281].

Credit risk

Credit risk arises from the potential for an investee to fail or for a counterparty to default on its contractual obligations to the Foundation. The Foundation limits the credit risk by dealing with counterparties that are considered high quality.

Max Bell Foundation

Notes to the financial statements

[in thousands of dollars]

December 31, 2024

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's interest-bearing investments are exposed to interest rate risk. The most significant exposure to interest rate risk is investment in bonds.

Other price risk

Other price risk is the risk that the fair value of an investment will fluctuate because of changes in market prices (other than those arising from foreign currency or interest rate risk), whether those changes are caused by factors specific to the individual investments or factors affecting all securities traded in the market.

Foreign currency risk

Foreign currency exposure arises from the Foundation's foreign equity holdings. As at December 31, 2024, total foreign equity holdings are 69.16% [December 31, 2023 – 68.10%] of the Foundation's investments based on market value.

5. Capital assets

	2024		
	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Furniture	79	68	11
Office equipment	10	2	8
Telecom equipment	8	8	—
Computer equipment	82	78	4
Computer software	110	109	1
Art	11	—	11
Tenant improvement	138	138	—
	438	403	35

Max Bell Foundation

Notes to the financial statements

[in thousands of dollars]

December 31, 2024

	2023		
	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Furniture	75	65	10
Office equipment	10	1	9
Telecom equipment	8	8	—
Computer equipment	76	74	2
Computer software	110	108	2
Art	11	—	11
Tenant improvement	138	138	—
	428	394	34

The amount of depreciation recorded in 2024 included in investment management and other expenses in the statement of operations was \$9 [2023 – \$15].

6. Commitments

(i) Grants

The Foundation has approved grants to fund projects, other than McGill University, aggregating \$2,514 payable in the years ending December 31 as follows:

	\$
2025	1,848
2026	515
2027	151

Payment of some of these commitments is subject to certain terms and conditions, which must be fulfilled by recipients prior to disbursement of the funds.

In addition, and in accordance with the Foundation's letters patent, at least 30% of all grants will be donated to McGill University subject to certain terms and conditions.

Max Bell Foundation

Notes to the financial statements

[in thousands of dollars]

December 31, 2024

(ii) Investments

The Foundation has future commitments in relation to certain investments in the amount of \$415 [2023 – \$450].

(iii) Operating lease

In October 2017, the Foundation entered into a lease arrangement with the Kahanoff Centre for Charitable Activities for the use of office space at Suite 970, 105 – 12 Ave SE Calgary, commencing April 1, 2018. The 10-year lease to March 31, 2028 requires minimum annual lease payments of \$26 for the year to December 31, 2024. During the year ended December 31, 2023, the lease was amended to fix the minimum annual lease payments for the remainder of the lease. Minimum annual lease payments of \$26 will be required for the remaining three years of the lease.