Financial statements

Max Bell Foundation

December 31, 2025

Independent auditor's report

To the Members of the
Max Bell Foundation

Opinion

We have audited the financial statements of the **Max Bell Foundation** [the "Foundation"], which comprise the statement of financial position as at December 31, 2025 and the statement of operations, statement of changes in net assets and the 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 statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025, 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 audit opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these 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 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.

Ernst & Young LLP

Chartered Professional Accountants

Calgary, Canada
May 12, 2026

Max Bell Foundation

Statement of financial position

[in thousands of dollars]

As at December 31

	2025	2024
	$	$
ASSETS		
Current		
Cash	**1,284**	1,459
Accounts receivable and prepaid expenses	**214**	273
Total current assets	**1,498**	1,732
Investments *[note 4]*		
Shares	**60,735**	65,011
Bonds	**15,747**	16,890
Alternative - Limited Partnership	**24,485**	19,646
Alternative - Immigrant Access Fund Canada	**700**	700
Total investments	**101,667**	102,247
Capital assets, net *[note 5]*	**39**	35
	103,204	104,014
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued charges	**278**	118
Commitments *[note 6]*		
Net assets		
Contributed capital	**15,854**	15,854
Surplus	**87,072**	88,042
Total net assets	**102,926**	103,896
	103,204	104,014

See accompanying notes

On behalf of the Board:

Director Director

Max Bell Foundation

Statement of operations

[in thousands of dollars]

Year ended December 31

	2025	**2024**
	$	$
REVENUE (NET)		
Interest	**349**	422
Dividends	**4,049**	3,764
Unrealized (loss) gain on investments *[note 4]*	**(198)**	6,159
Realized gain on sale of investments *[note 4]*	**1,822**	1,820
Grant	**—**	50
	6,022	12,215
EXPENSES		
Grants *[schedule]*	**4,164**	3,389
Charitable projects *[schedule]*	**301**	606
Grant administration	**1,041**	879
Investment management and other expenses *[note 5]*	**1,486**	1,037
	6,992	5,911
(Deficiency) excess of revenue over expenses	**(970)**	6,304

See accompanying notes

Max Bell Foundation

Statement of changes in net assets

[in thousands of dollars]

	Contributed capital	Surplus	Total
	$	$	$
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
Deficiency of revenue over expenses	—	(970)	(970)
Balance, December 31, 2025	**15,854**	**87,072**	**102,926**

See accompanying notes

Max Bell Foundation

Statement of cash flows

[in thousands of dollars]

Year ended December 31

	2025	2024
	$	$
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	**(970)**	6,304
Add (deduct) amounts not involving cash		
Unrealized loss (gain) on investments	**198**	(6,159)
Realized gain on sale of investments	**(1,822)**	(1,820)
Income and expenses within investment funds	**(772)**	(585)
Depreciation	**11**	9
	(3,355)	(2,251)
Net change in non-cash working capital related to operations	**219**	24
Cash used in operating activities	**(3,136)**	(2,227)
INVESTING ACTIVITIES		
Purchase of capital assets	**(15)**	(10)
Purchase of investments *[note 4]*	**(51,814)**	(3,833)
Proceeds from disposal of investments *[note 4]*	**54,790**	7,325
Cash provided by investing activities	**2,961**	3,482
Net (decrease) increase in cash for the year	**(175)**	1,255
Cash, beginning of year	**1,459**	204
Cash, end of year	**1,284**	1,459

See accompanying notes

Schedule of grant payments

[in thousands of dollars]

Year ended December 31

	2025	**2024**
	$	$
Barth Syndrome Foundation of Canada	**10**	10
Blueprint ADE	**—**	15
Boys and Girls Clubs of Canada	**—**	5
C.D. Howe Institute	**41**	16
Canada West Foundation	**20**	5
Canadian Academy of Geriatric Psychiatry	**35**	—
Canadian Children's Literacy Foundation	**5**	2
Canadian Climate Institute	**175**	—
Canadian Education Association	**5**	27
Canadian Institute for Advanced Research	**—**	86
Carlton University	**—**	7
Child Welfare League	**—**	9
CIVIX	**105**	5
Coalition for a Better Future	**—**	3
Edmonton Community Foundation	**10**	—
Family Enterprise Foundation	**10**	15
Farmers for Climate Solutions	**5**	95
Generate Canada Inc.	**170**	—
Imagine Canada	**5**	5
Indspire	**—**	5
Institute for Research on Public Policy	**130**	45
International Institute of Sustainable Development	**8**	—
Islamic Family & Social Services Association	**5**	31
Janeway Children's Hospital Foundation	**26**	37
John Howard Society of Ontario	**45**	—
Living Lakes Canada	**25**	—
Marcel Lauziere	**2**	—
Martin Family Initiative	**—**	55
McGill University	**1,766**	1,550
McGill University - Advancement	**5**	7
Momentum	**32**	38
National Music Centre	**100**	100
Nature Conservancy of Canada	**—**	5
Ontario Nature	**—**	11
Ophea	**—**	27
PHE Canada	**—**	20
Philanthropic Foundations Canada	**37**	9
Phoenix Residential Society	**5**	5
Prosper Canada	**161**	152
Public Policy Forum	**1**	1
ResoPartners	**3**	—
Sage Seniors Association	**7**	45
Sa Sexual Assault Services of Saskatchewan	**31**	—

Schedule of grant payments

[in thousands of dollars]

Year ended December 31

	2025	**2024**
	$	$
Simon Fraser University	**205**	206
Springboard Policy	**2**	—
St. Boniface Hospital Foundation	**5**	—
St. Michael's Hospital Foundation	**71**	7
The Governors of the University of Calgary	**75**	151
The Muttart Foundation	**30**	—
The Natural Step (Canada) Inc.	**5**	19
The Study School Foundation	**5**	7
The Walrus Foundation	**60**	—
Toronto Foundation	**112**	—
Toronto Metropolitan University	**135**	158
United Way of Calgary and Area	**109**	—
United Way Halifax	**—**	5
United Way of Winnipeg	**10**	10
Univeristy of Alberta	**10**	—
University of Ottawa	**115**	57
University of Regina	**—**	3
University of Victoria	**10**	5
University of Western Ontario	**4**	120
Victoria Hospice & Palliative Care	**—**	5
Victoria Hospice Society	**9**	—
Wilfrid Laurier University	**—**	3
Windmill Microlending	**5**	70
Yellowstone to Yukon Conservation	**100**	25
York University	**102**	90
	4,164	3,389

See accompanying notes

Schedule of charitable projects

[in thousands of dollars]

Year ended December 31

	2025	2024
	$	$
Public Policy Training Institute	**210**	181
Max Bell School Public Policy Evaluation	**5**	—
Youth and Civic Engagement Project	**—**	10
Youth and Civic Engagement Events	**46**	—
PPTI Master Class	**6**	313
Policy Collaborative Evaluation	**—**	12
Policy Forward Event	**7**	30
Partner Network Event	**20**	32
PPTI Alumni Events	**7**	28
	301	606

See accompanying notes

Max Bell Foundation

Notes to the financial statements
[in thousands of dollars]

December 31, 2025

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

Notes to the financial statements

[in thousands of dollars]

December 31, 2025

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, 2025

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, 2025 of approximately $633. The Disbursement Quota for the fiscal year ending December 31, 2026 will be approximately $5,154.

4. Investments

	2025				2024
	Shares $	**Bonds** $	**Alternative Investments** $	**Total** $	**Total** $
Balance, beginning of year	**65,011**	**16,890**	**20,346**	**102,247**	97,175
Purchase of investments	**45,756**	**307**	**5,751**	**51,814**	3,833
Proceeds from disposal of investments	**(52,047)**	**(655)**	–	**(52,702)**	(4,214)
Fund distributions	–	–	**(2,088)**	**(2,088)**	(3,111)
Income and expenses within investment funds, net	–	–	**772**	**772**	585
Gain (loss) on sale of investments	**1,928**	**(106)**	–	**1,822**	1,820
Unrealized (loss) gain on investments	**87**	**(689)**	**404**	**(198)**	6,159
Balance, end of year	**60,735**	**15,747**	**25,185**	**101,667**	102,247

Notes to the financial statements

[in thousands of dollars]

December 31, 2025

Shares

	2025		2024	
	Market value $	Cost $	Market value $	Cost $
Canadian	**9,962**	**7,438**	10,930	7,076
Foreign	**50,773**	**48,245**	54,081	29,238
	60,735	**55,683**	65,011	36,314

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, 2025, 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, 2025, the Foundation held bonds at cost of $18,569 [2024 – $19,023] and a market value of $15,747 [2024 – $16,890].

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 $16,673 [2024 – $12,238] and a market value of $25,185 [2024 – $20,346].

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.

Notes to the financial statements
[in thousands of dollars]

December 31, 2025

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, 2025, total foreign equity holdings are 68.48% [December 31, 2024 – 69.16%] of the Foundation's investments based on market value.

5. Capital assets

	2025		
	Cost $	**Accumulated depreciation** $	**Net book value** $
Furniture	**79**	**70**	**9**
Office equipment	**10**	**4**	**6**
Telecom equipment	**8**	**8**	–
Computer equipment	**97**	**84**	**13**
Computer software	**110**	**110**	–
Art	**11**	–	**11**
Tenant improvements	**138**	**138**	–
	453	**414**	**39**

Notes to the financial statements

[in thousands of dollars]

December 31, 2025

	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 improvements	138	138	–
	438	403	35

The amount of depreciation recorded in 2025 included in investment management and other expenses in the statement of operations was $11 [2024 – $9].

6. Commitments

(i) Grants

The Foundation has approved grants to fund projects, other than McGill University, aggregating $2,858 payable in the years ending December 31 as follows:

	$
2026	1,819
2027	851
2028	188

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.

Notes to the financial statements

[in thousands of dollars]

December 31, 2025

(ii) *Investments*

The Foundation has future commitments in relation to certain investments in the amount of $8,597 [2024 – $415].

(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, 2025. Minimum annual lease payments of $26 will be required for the remaining two years of the lease.