Doane Grant Thornton

Financial Statements

Donner Canadian Foundation

December 31, 2025

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Doane Grant Thornton LLP
123 Commerce Valley Dr E
Suite 400
Markham, ON
L3T 7W8

T +1 416 366 0100
F +1 905 475 8906
www.doanegrantthornton.ca

Independent Auditor's Report

To the Members of
Donner Canadian Foundation

Opinion

We have audited the financial statements of Donner Canadian Foundation, which comprise the statement of financial position as at December 31, 2025, and the statements of operations and unrestricted net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, 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.

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 are independent of the Organization 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.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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 Organization'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 Organization'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 Organization 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.

Doane Grant Thornton LLP

Markham, Canada
November 4, 2026

Chartered Professional Accountants
Licensed Public Accountants

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Donner Canadian Foundation
Statement of Financial Position

December 31	2025	2024
Assets		
Current		
Cash	**$ 1,610,837**	$ 1,166,474
Short-term investments	**9,385,279**	6,986,834
Other receivables	**141,531**	276,606
Prepaid expenses	**120,099**	50,179
	11,257,746	8,480,093
Investments (Note 3)	**123,131,098**	128,392,903
Office furniture and equipment (Note 4)	**73,880**	75,254
	$ 134,462,724	$ 136,948,250
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 334,436**	$ 335,586
Due to investment managers	**5,145**	8,906
	339,581	344,492
Unrestricted net assets	**134,123,143**	136,603,758
	$ 134,462,724	$ 136,948,250

On behalf of the Members

DocuSigned by: DCF589CB48154C8... Director

Signed by: 1B18DEG7422B403... Director

See accompanying notes to the financial statements.

Donner Canadian Foundation
Statements of Operations and Unrestricted Net Assets
Year ended December 31

	2025	2024
Revenue		
Dividends	**$ 983,558**	$ 556,688
Interest and other investment income	**2,529,893**	3,148,985
	3,513,451	3,705,673
Realized and unrealized gain (loss) on investments		
Unrealized (loss) gain on investments	**(2,151,792)**	1,847,488
Net realized gain on investments	**5,998,116**	4,116,339
Net realized (loss) gain on foreign exchange	**(494,003)**	785,159
	3,352,321	6,748,986
	6,865,772	10,454,659
Expenditures		
Other professional services	**268,677**	1,492,365
Investment counsel	**1,755,185**	1,940,764
Administration	**314,187**	311,037
Legal and audit services	**22,187**	84,909
Development	**64,236**	118,857
Custody	**140,000**	175,000
Salaries and benefits	**376,447**	453,286
	2,940,919	4,576,218
	3,924,853	5,878,441
Programs	**472,160**	435,103
Grants	**5,933,308**	5,715,429
Deficiency of revenue over expenditures	**$ (2,480,615)**	$ (272,091)
Unrestricted net assets, beginning of year	**$ 136,603,758**	$ 136,875,849
Deficiency of revenue over expenditures	**(2,480,615)**	(272,091)
Unrestricted net assets, end of year	**$ 134,123,143**	$ 136,603,758

See accompanying notes to the financial statements.

Donner Canadian Foundation
Statement of Cash Flows

Year ended December 31

	2025	2024
Increase (decrease) in cash		
Operating		
Deficiency of revenue over expenditures	**$ (2,480,615)**	$ (272,091)
Items not affecting cash		
Amortization (included in administration expenses)	**3,333**	3,503
Unrealized loss (gain) on investments	**2,151,792**	(1,847,488)
Net realized gain on investments	**(5,998,116)**	(4,116,339)
Net realized loss (gain) on foreign exchange	**494,003**	(785,159)
	(5,829,603)	(7,017,574)
Change in non-cash working capital items		
Other receivables	**135,075**	(16,988)
Prepaid expenses	**(69,920)**	27,074
Accounts payable and accrued liabilities	**(1,150)**	(28,211)
Due to investment managers	**(3,761)**	(11,679)
	(5,769,359)	(7,047,378)
Investing		
Purchase of computer equipment	**(1,960)**	-
Net proceeds on investments	**6,215,682**	6,855,992
	6,213,722	6,855,992
Increase (decrease) in cash	**444,363**	(191,386)
Cash		
Beginning of year	**1,166,474**	1,357,860
End of year	**$ 1,610,837**	$ 1,166,474

See accompanying notes to the financial statements.

1. Purpose of the Foundation

The Donner Canadian Foundation (the "Foundation") was established by William H. Donner with the mission to encourage individual responsibility and private initiative to help Canadians solve their social and economic problems and to contribute to general charitable purposes.

The Foundation was incorporated without share capital in 1950 under the laws of Canada and transitioned to and continued under the new Canada Not-for-profit Corporations Act, and is exempt from income tax pursuant to the terms of the Income Tax Act (CANADA).

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Revenue recognition

The Foundation follows the deferral method of revenue recognition for contributions. Revenue is recognized when the amount can be reasonably estimated and collection is reasonably assured.

Interest is recorded as revenue in the year it is earned. Limited partnership, mutual fund and private investment fund distributions reinvested in these vehicles are recognized in income in the year of the distribution and reinvestment. Dividend income is recognized on the ex-dividend date.

Use of estimates

The preparation of 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 at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Items subject to significant management estimates include valuation of investments and accrued liabilities.

Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Foundation accounts for the following as financial instruments:

- cash
- short-term investments and investments
- other receivables
- due to investment managers
- accounts payable

A financial asset or liability is recognized when the Foundation becomes party to contractual provisions of the instrument.

2. Significant accounting policies (continued)

Financial instruments (continued)

Initial measurement

The Foundation initially measures its financial assets and financial liabilities obtained in arm's length transactions at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets and financial liabilities obtained in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Foundation does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Subsequent measurement

The Foundation subsequently measures its financial assets and financial liabilities obtained in arm's length transactions at cost or amortized cost, except for investments in equity instruments which are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations and unrestricted net assets. Realized and unrealized gains and losses, interest and dividend income are reported in the statement of operations and unrestricted net assets.

Investments in equity instruments without a quoted market value are recorded and carried at cost less any impairment. This category is comprised of limited partnerships, private investment funds and other investments without a quoted market value. All income and realized gains and losses are recognized in the statement of operations and unrestricted net assets. Realized gains and losses on sales of these investments are determined based on the average cost of each investment.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Foundation initially measured the instrument.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is any such indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from that financial asset, it recognizes an impairment loss in the statement of operations and unrestricted net assets. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Grants

Grants are accounted for in the financial statements when they are approved by the Board of Governors.

2. Significant accounting policies (continued)

Foreign currency transactions

Cash, short-term investments and investments denominated in foreign currencies are translated into Canadian dollars at the closing rate of exchange prevailing on the balance sheet date. US currency investments in this category were translated at 1.3708 (2024 - 1.4389). Purchases and sales of investments, revenue and expenses are recorded at the rates of exchange prevailing on the dates of the transactions.

Office furniture and equipment

Office furniture and equipment are recorded at cost and are being amortized over their estimated useful lives on a declining balance basis. The annual amortization rates are as follows:

Office equipment	20%
Computer equipment	30 - 50%

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

Artwork is considered to have an unlimited life, as the Foundation has the resources to preserve and protect their value. Therefore, no amortization is provided for on these assets.

Impairment of long-lived assets

The Foundation tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent that carrying value exceeds its fair value.

3. Investments

The fair value (FV) and cost of the investments are as follows:

	2025		2024	
	FV	**Cost**	FV	Cost
Equities	**$ 45,243,685**	**$ 40,011,166**	$ 54,791,789	$ 47,407,428
Investments in limited partnerships	**53,761,599**	**53,761,599**	49,842,777	49,842,777
Private investment funds	**24,125,814**	**24,125,814**	23,758,337	23,758,337
	$ 123,131,098	**$ 117,898,579**	$ 128,392,903	$ 121,008,542

During the year, the Foundation sold certain investments in limited partnerships and private investments funds for a loss of $Nil (2024 - $4,122,257).

4. Office furniture and equipment

	Cost	Accumulated Amortization	**2025 Net Book Value**	2024 Net Book Value
Office equipment	$ -	$ -	**$ -**	$ 133
Leasehold improvements	73,566	8,159	**65,407**	68,350
Computer equipment	27,708	26,006	**1,702**	-
Artwork	6,771	-	**6,771**	6,771
	$ 108,045	$ 34,165	**$ 73,880**	$ 75,254

5. Related party transactions

The Foundation has a sister institution in the United States (William H. Donner Foundation, Inc.), which operates with shared management executives, board members, and investment chair. Shared expenses between the two foundations include executive management salaries, investment committee chair fees and the annual general meeting costs.

William H. Donner Foundation reimburses the Foundation for a portion of executive management salaries. The related reimbursement for 2025 is $223,252 (2024 - $232,332).

William H. Donner Foundation and the Foundation share costs under an investment advisory agreement which requires minimum quarterly payments of US$75,000 (2024 - US$75,000) to be paid every year in the proportion of 60:40 between William H. Donner Foundation and Donner Canadian Foundation respectively.

William H. Donner Foundation is not included in the accompanying financial statements as there is not direct control between the two Foundations. The primary source of revenue for the sister Foundation is derived from investment activities.

6. Commitments

The Foundation is committed under an investment custodian service agreement, which requires minimum annual payments of $140,000. There are no fixed terms to these agreements.

The Foundation is committed under agreements with the limited partnerships and private investment funds in which it holds an interest to make additional investments up to a total amount of US$14,811,406 (2024 - US$17,902,014) and US$1,462,015 (2024 - US$1,462,015), respectively.

At year end, the Foundation has grant commitments to registered charities of $32,500 (2024 - $32,500).

7. Financial instruments

The Foundation's investment activities expose it to a variety of financial risks related to its financial instruments. The Foundation's Board of Governors seeks to minimize these risks by employing professional and experienced advisors, by monitoring the investment activities and by diversifying the investment portfolio within the constraints of the Foundation's investment guidelines and objectives. The investment portfolio is comprised of short-term investments, Canadian and United States stocks, limited partnerships, private investment funds and mutual funds. The Foundation maintains a balanced mix of investments that represents, in its view, the most optimal combination.

(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. The Foundation's main credit risks related to its other receivables. Given that the receivables relate to the collection of outstanding HST income tax credits, credit risk is not considered to be significant.

(b) Market risk

Market risk is the risk that the fair value or expected 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 Foundation is mainly exposed to currency risk and other price risk.

(i) Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than Canadian dollars, which is the Foundation's functional currency. The Foundation is exposed to the risk that the value of the securities denominated in other currencies will fluctuate due to the changes in exchange rates. Equities trading in foreign markets are also exposed to currency risk as the price in local terms on the foreign exchange is converted to Canadian dollars to determine the fair market value. The majority of the Foundation's investments are denominated in other currencies.

(ii) Other price risk

Other price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate and currency risks), whether caused by factors specific to an individual investment, its issuer, or other factors affecting instruments traded in a market or market segment. All securities present a risk of loss of capital. The Foundation moderates this risk through a careful selection of securities and other financial instruments within the parameters of the Foundation's investment guidelines and strategy. The maximum risk resulting from financial instruments is equivalent to their fair value. The Foundation's equity and other investments are susceptible to market risk arising from uncertainties about future prices of the instruments.

8. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.