
Financial statements of The Lawson Foundation

December 31, 2025

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Independent Auditor's Report

To the Board of Directors of
The Lawson Foundation

Opinion

We have audited the financial statements of The Lawson Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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 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 ("Canadian GAAS"). 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 Foundation 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 audit 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 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 GAAS 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 GAAS, 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.

Deloitte LLP


Chartered Professional Accountants
Licensed Public Accountants
May 28, 2026

The Lawson Foundation
Statement of financial position
As at December 31, 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash		475,481	298,799
Accounts receivable		1,264,621	1,025,126
Prepaid expenses		26,037	25,357
		1,766,140	1,349,282
Investments	3	154,413,700	147,541,837
Impact investments	4	4,358,829	3,197,099
Interests in Ray Lawson Trusts	5	2	2
Capital assets	6	17,319	39,171
		160,555,990	152,127,391
Liabilities			
Accounts payable and accrued liabilities		370,089	377,634
Commitments	4 and 7		
Net assets			
Invested in capital assets		17,319	39,171
Externally restricted for 10 years	8	4,891	7,686
Externally restricted in perpetuity		4,450,657	4,450,657
Unrestricted		155,713,034	147,252,243
		160,185,901	151,749,757
		160,555,990	152,127,391

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

Approved by the Board


_____, Director


_____, Director

The Lawson Foundation
Statement of revenue and expenses
Year ended December 31, 2025

	Notes	2025 \$	2024 \$
Revenue			
Gain on investments		12,780,287	20,234,205
Investment earnings		4,120,237	3,210,134
Income distributions Ray Lawson Trusts	5	383,046	363,490
Other income	9	580	250,000
Contributions		875,000	—
(Loss) income from impact investments		(237,143)	2,714
		17,922,006	24,060,543
Expenses			
Grants	11	7,794,175	6,472,822
Convening and programming		562,603	762,814
Governance		38,098	48,921
Administration		323,890	325,002
Investment management fees		745,243	693,831
Amortization		21,852	22,472
		9,485,862	8,325,862
Excess of revenue over expenses		8,436,144	15,734,681

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

The Lawson Foundation
Statement of changes in net assets
Year ended December 31, 2025

		Invested in capital assets	Externally restricted for 10 years	Externally restricted in perpetuity	Unrestricted	2025 Total	2024 Total
	Notes	\$	\$	\$	\$	\$	\$
Balance, beginning of year		39,171	7,686	4,450,657	147,252,243	151,749,757	136,015,076
Excess of revenues over expenses		(21,852)	—	—	8,457,996	8,436,144	15,734,681
Amount transferred to unrestricted funds for the year	8	—	(2,795)	—	2,795	—	—
Balance, end of year		17,319	4,891	4,450,657	155,713,034	160,185,901	151,749,757

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

The Lawson Foundation
Statement of cash flows
Year ended December 31, 2025

	2025	2024
	\$	\$
Operating activities		
Excess of revenues over expenses	8,436,144	15,734,681
Items not affecting cash		
Amortization of capital assets	21,852	22,472
Realized gain on investments	(19,222,137)	(7,145,123)
Loss on impact investments	278,405	63,355
Unrealized change in market value of investments	6,441,851	(13,089,083)
	(4,043,886)	(4,413,698)
Changes in non-cash working capital		
Accounts receivable	(239,495)	(340,285)
Prepaid expenses	(680)	267
Accounts payable and accrued liabilities	(7,545)	(92,800)
	(4,291,606)	(4,846,516)
Investing activities		
Purchase of investments	(44,646,132)	(21,805,285)
Sale of investments	50,554,556	27,043,619
Purchase of impact investments	(1,516,063)	(1,246,523)
Repayment of impact investments	75,928	838,462
	4,468,288	4,830,273
Change in cash during the year	176,682	(16,243)
Cash, beginning of year	298,799	315,042
Cash, end of year	475,481	298,799

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

1. Nature of organization

The Lawson Foundation (the "Foundation") was incorporated without share capital under the Laws of Ontario in 1956 with the objective of supporting charitable purposes. The Foundation is a registered charity and is designated as a private foundation under the Income Tax Act (Canada).

As a result of its registered charity status, the Foundation is exempt from income tax and is able to issue donation receipts for income tax purposes. In order to maintain its registered charity status, the Foundation is required to meet its disbursement quota on an annual basis by distributing sufficient grants to qualified donees and for charitable programming activities.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations and include the following significant accounting policies:

Financial instruments

Financial instruments include cash, investments, accounts receivable and accounts payable.

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value, with the exception of impact investments that are measured at cost. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Foundation is in the capacity of management, are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Foundation in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost except for the following:

- Publicly traded investments, which are measured at fair value at the balance sheet date. The fair value of listed securities is based on the latest closing price.
- Investments in unlisted securities (impact investments), which are measured at cost less any impairment.

Transaction costs

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

2. Significant accounting policies (continued)

Impairment

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes an impairment loss, if any, in net earnings when there are indicators of impairment, and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Interest income, dividend income and gains/losses on investments are recognized on the accrual basis. Contributions, bequests, and income distributions are recorded as received. Life insurance policies that have named the Foundation as owner/beneficiary are recorded at the cash surrender value of the policy until such time as the Foundation becomes the beneficiary of the death benefits.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is based on the estimated useful lives of the assets at the following rates and methods:

Computer software and hardware	30% declining balance
Furniture and equipment	10 years straight-line
Leasehold improvements	10 years straight-line

Software intangible assets

Cloud computing arrangements are accounted for using the simplification approach, whereby expenditures in the arrangement are expensed as incurred.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the asset no longer has any long-term service potential for the Foundation. The amount of the impairment loss is determined as the excess of the carrying value of the assets over any residual value.

Allocation of expenses

Salaries and benefits are allocated to Grants based on estimated time. The remaining expenses are allocated among Grants, Convening and Programming, Governance and Administration based on actual expenses incurred.

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. In particular, the estimates include: the allocation of expenses, the useful life of capital assets, the fair value of investments and the impairment of impact investments recorded at cost and the amount of certain accrued liabilities. Actual results could differ from these estimates.

3. Investments

The Foundation owns units in various equity, bond, and alternative funds, as follows:

	Fair value	2025	Fair value	2024
	\$	Cost	\$	Cost
		\$		\$
Cash and short-term investments	891,251	863,626	803,042	751,284
Fixed income Canadian	40,367,130	38,479,067	37,915,344	36,170,581
Equity				
Canadian	37,257,943	32,548,186	30,722,007	24,988,138
Global	66,803,940	52,089,639	69,880,451	49,016,790
	104,061,884	84,637,825	100,602,458	74,004,928
Alternatives				
Canadian	5,301,934	4,707,822	3,897,573	3,743,046
Global	3,589,453	3,187,234	4,323,420	4,152,010
	8,891,387	7,895,056	8,220,993	7,895,056
	154,211,652	131,875,574	147,541,837	118,821,849

4. Impact investments

Impact investments are investments of assets from the Foundation’s endowment in companies, organizations, and funds with the intention to generate measurable positive social and environmental impact as well as a financial return. The Foundation seeks risk-adjusted, market rates of return wherever possible, but will also accept some below-market returns where there are clearly social or environmental benefits.

	2025	2024
	\$	\$
Community Forward Pooled Bond Fund Trust	800,000	800,000
Innovation Works Community Bond	250,000	250,000
InvestEco Sustainable Food Fund II, LP	89,307	178,295
New Market Funds Affordable Housing Fund I Trust	403,474	360,481
New Market Funds Affordable Housing Fund II Trust	141,573	138,215
Raven II Canadian Feeder LP	447,979	277,609
Raven Indigenous Impact Fund I LP	184,293	236,500
Raven Indigenous Outcomes Fund LP	1,159,160	205,999
Spring Impact Capital Fund I Limited Partnership	133,043	—
Windmill Microlending Promissory Note	750,000	750,000
	4,358,829	3,197,099

The Foundation has subscriptions for future investments of \$2,391,375 (\$3,096,719 in 2024), which include:

	\$
New Market Funds Affordable Housing Fund I Trust	43,821
New Market Funds Affordable Housing Fund II Trust	330,241
Raven Indigenous Impact Fund I LP	8,575
Raven II Canadian Feeder LP	199,604
Raven Indigenous Outcomes Fund LP	1,253,319
Spring Impact Capital Fund I	555,816
	2,391,375

5. Interests in Ray Lawson Trusts

The Foundation is a 25% income beneficiary and a 25% residual beneficiary in two trusts which were created in 1988 to replace two trusts settled by the late Hon. Ray Lawson in 1966. Pursuant to the terms of the trusts, the annual income, if any, is distributed currently to the income beneficiaries, but distribution of assets to residual beneficiaries will not occur until the death of the last surviving grandchild and great-grandchild of the settlor alive on the date of settlement. Since the original interests in the trusts were acquired by the Foundation in 1966 at no consideration, and the distribution of assets will not occur for a considerable number of years, the interests in the trusts have been recorded in these financial statements at a nominal value of \$1 each.

The Lawson Foundation
Notes to the financial statements
December 31, 2025

6. Capital assets

	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Computer software and hardware	84,128	80,778	3,350	4,786
Furniture and equipment	120,596	116,515	4,081	9,725
Leasehold improvements	161,036	151,148	9,888	24,660
	365,760	348,441	17,319	39,171

7. Grant commitments

As at December 31, the Foundation has multiple grant commitments that are expected to be met in the following years:

	\$
2026	2,825,333
2027	1,569,333
2028	5,000
2029	5,000
2030	5,000
	4,409,666

8. Externally restricted for 10 years

Certain funds contributed to the Foundation are subject to a direction by the donors that the gift, or any property substituted therefore, be held by the Foundation for a period of not less than ten years.

	2025 \$	2024 \$
Year restriction expires		
2025	—	2,795
2026	2,795	2,795
2027	2,096	2,096
	4,891	7,686

9. Life insurance proceeds

The Foundation was named a beneficiary and owner of a \$250,000 term life insurance policy. The insured passed away in late 2024. The proceeds were recorded as a receivable and revenue as at December 31, 2024 and were fully received in 2025.

10. Risk management

Credit and market risk

The Foundation has an investment policy which restricts the types and amounts of eligible investments. The policy permits investments in fixed income vehicles, equity and alternative investment securities. Equity and fixed income securities are held within pooled funds. Risk and volatility of investment returns are mitigated through diversification of investments in different countries, business sectors and corporation sizes. The Foundation does not have any significant exposure to credit risk except with respect to its impact investments.

Currency risk

The Foundation’s investments are denominated in Canadian dollars. Certain investments include investments in foreign jurisdictions and are therefore subject to foreign currency fluctuations. The Foundation mitigates the currency risk exposure of its Global securities through diversification of the pooled funds, which are comprised of multiple currencies.

Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Foundation’s cash flows, financial position and income. Interest rate changes directly impact the value of fixed income securities. The Foundation manages the interest rate price risk exposure of its fixed income investments by holding investments with varying terms to maturity.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable. It is management’s opinion that the Foundation is not exposed to significant liquidity risk arising from its accounts payable.

11. Allocation of expenses

During the year, salary, consulting, and other general expenses were allocated as follows:

	2025	2024
	\$	\$
Grants	1,572,509	1,657,259

12. Subsequent event

In 2026, escalating geopolitical conflicts and trade tensions between major global economies have introduced additional volatility and uncertainty in the financial markets. While the Foundation maintains a diversified investment portfolio and adheres to a disciplined long-term investment strategy, it is not possible to reliably estimate the potential impact that the duration and severity of these developments may have on the Foundation’s financial results or condition in future periods.