CANADIAN RUGBY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2025

UNAUDITED

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TRENHOLME & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Willow L. Rupert CPA, CA* Brett A. Jackson CPA, CA* Carter L. Chomyn CPA, CA* Ian A. Parry CPA*

** denotes incorporated professional*

REVIEW ENGAGEMENT REPORT

To the Directors

We have reviewed the accompanying financial statements of Canadian Rugby Foundation that comprise the statement of financial position as at December 31, 2025 and the statements of operations, change in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in the nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on the financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Foundation derives revenue from donation and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at the beginning and the end of the years ended December 31, 2025 and 2024. Our conclusion on the financial statements as at December 31, 2024 and for the year ended December 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Canadian Rugby 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.

Chartered Professional Accountants LLP

Victoria, British Columbia
June 30, 2026

CANADIAN RUGBY FOUNDATION
Statement of Financial Position
December 31, 2025

	Operating fund	Restricted funds	2025 Total	2024 Total
ASSETS				
Current assets				
Cash	$ 30,657	$ 581,435	$ 612,092	$ 346,530
Accounts receivable	23,000	22,412	45,412	-
Goods and services taxes receivable	2,336	-	2,336	3,323
Investments (note 4)	1,068,048	21,537,955	22,606,003	22,162,891
Prepaid expenses	-	-	-	15,750
Management fee receivable	204,992	-	204,992	205,129
Term deposits	-	1,852,000	1,852,000	-
	1,329,033	23,993,802	25,322,835	22,733,623
	$ 1,329,033	**$ 23,993,802**	**$ 25,322,835**	**$ 22,733,623**
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued liabilities	$ 7,645	$ 100,000	$ 107,645	$ 134,212
Management fee payable	-	204,992	204,992	205,129
Demand loan payable	-	-	-	73,383
	7,645	304,992	312,637	412,724
Net assets				
Restricted funds (note 5)	-	23,688,810	23,688,810	21,318,094
Operating fund	1,321,388	-	1,321,388	1,002,805
	1,321,388	23,688,810	25,010,198	22,320,899
	$ 1,329,033	**$ 23,993,802**	**$ 25,322,835**	**$ 22,733,623**

Approved by the Directors

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(see accompanying notes)

UNAUDITED

CANADIAN RUGBY FOUNDATION
Statement of Change in Net Assets
Year ended December 31, 2025

	Operating fund	Restricted funds	Total 2025	Total 2024
Net assets, beginning of year	$ 1,002,805	$ 21,318,094	$ 22,320,899	$ 19,924,664
Excess of revenues over expenses for the year	436,042	2,253,257	2,689,299	2,396,235
Transfers of grants to restricted funds	(117,459)	117,459	-	-
Net assets, end of year	**$ 1,321,388**	**$ 23,688,810**	**$ 25,010,198**	**$ 22,320,899**

(see accompanying notes)

UNAUDITED

CANADIAN RUGBY FOUNDATION
Statement of Operations
Year ended December 31, 2025

	Operating fund	Restricted funds	Total 2025	Total 2024
Revenue				
Donation receipts	$ 77,664	$ 3,091,153	$ 3,168,817	$ 1,168,425
Fundraising activities	20,250	-	20,250	21,885
Investment income (note 6)	180,436	975,641	1,156,077	1,384,033
Management fee	204,992	-	204,992	205,129
	483,342	4,066,794	4,550,136	2,779,472
Expenses				
Administration				
Accounting and legal	49,861	-	49,861	47,271
Bank charges and interest	1,015	-	1,015	1,264
Office and sundry	4,947	-	4,947	4,591
Subcontract	68,121	-	68,121	56,949
Telephone and utilities	623	-	623	498
Management fee	-	204,992	204,992	205,129
	124,567	204,992	329,559	315,702
Non-administration				
Investment management	45,973	62,661	108,634	113,852
Community events	7,980	-	7,980	-
	53,953	62,661	116,614	113,852
Fundraising				
Fundraising activities	21,750	-	21,750	27,263
Gifts to qualified donees	154,160	1,994,975	2,149,135	1,222,938
Loan interest	3,452	-	3,452	10,964
Life insurance premiums (note 7)	3,319	-	3,319	2,118
	182,681	1,994,975	2,177,656	1,263,283
	361,201	2,262,628	2,623,829	1,692,837
Excess of revenue over expenses before the following:	122,141	1,804,166	1,926,307	1,086,635
Gain in fair value of marketable securities	313,901	449,091	762,992	1,309,600
Excess of revenue over expenses for the year	**$ 436,042**	**$ 2,253,257**	**$ 2,689,299**	**$ 2,396,235**

(see accompanying notes)

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CANADIAN RUGBY FOUNDATION
Statement of Cash Flows
Year ended December 31, 2025

	2025	2024
Cash provided from (used in)		
Operating activities		
Excess of revenue over expenses for the year	$ 2,689,299	$ 2,396,235
Items not involving cash:		
(Gain) on sale of investments	(321,409)	(580,251)
(Gain) in fair value of marketable securities	(762,992)	(1,309,600)
Change in accounts receivable	(44,287)	(8,086)
Change in prepaid expenses	15,750	(375)
Change in accounts payable	(26,704)	85,424
	1,549,657	583,347
Financing activities		
Repayment of demand loan payable	(73,383)	(93,859)
Investing activities		
Proceeds from sale of investments	3,090,376	12,634,019
Purchase of investments	(2,532,210)	(13,096,403)
Proceeds from return of capital	83,122	34,391
Purchase of term deposits	(1,852,000)	-
	(1,210,712)	(427,993)
Increase in cash during the year	265,562	61,495
Cash, beginning of year	346,530	285,035
Cash, end of year	**$ 612,092**	**$ 346,530**

(see accompanying notes)

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1. Purpose of the Organization

The Canadian Rugby Foundation was incorporated on January 1, 2002 to foster, encourage and promote the game of rugby among both genders within Canada through grants, bursaries, scholarships and awards to qualified donees including the Canadian Rugby Union.

The Foundation was registered as a charitable organization under the Income Tax Act on December 18, 2002 and, accordingly, is exempt from income taxes.

2. Accounting policies

The Foundation applies the Canadian accounting standards for not-for-profit organizations.

A summary of significant accounting policies is presented below to assist the reader in evaluating the Foundation's financial statements:

Cash

Cash includes cash on deposit net of deposits made and cheques issued that are outstanding at the reporting date.

Term deposits

Term deposits consist of guaranteed investment certificates with maturities greater than three months from the date of acquisition.

Revenue

The Foundation follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions in-kind are recognized at fair value at the date of contributions, if determinable.

Investment income includes interest, foreign investment income, dividends, capital dividends and realized capital gains and losses, earned on the Operating and Restricted Funds.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided. The financial statements include the following funds:

Operating fund
The Operating Fund accounts for the Foundation's operational and administrative activities. The Operating Fund reports unrestricted resources available for immediate purposes.

2. Accounting policies (continued)

Restricted funds
The Restricted funds consist of various funds for which long term donations have been made for specific purposes. The donations made to these restricted funds are considered to be gifts of enduring property as the donations are subject to written direction that the Foundation hold these gifts for a period of at least ten years. These donations are considered to be externally restricted.

The restricted funds also include internally restricted allocations of grants which are allocated by the Foundation based on specific criteria governing each fund.

The balance sheet presents the combined assets and liabilities of all funds.

Contributed goods and services

Contributed assets, which are transferred to the Foundation, are recognized at their fair market value in the financial statements at the time of acceptance by the Foundation, if determinable.

Volunteers and other organizations have contributed significant time and resources to assist the Foundation in carrying out its programs and activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

The Foundation's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized costs, except for cash and marketable securities.

Investments consist of money market investments, mutual fund trust units and limited partnership investments. The measurement of fair value is determined by published price quotations in an active market. Net gains and losses arising from changes in fair value are recognized in the revenue and expenses of the Operating and Restricted Funds for the year.

Transaction costs related to financial instruments measured subsequent to initial recognition 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 item using the declining balance method.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of estimates include accounts receivable and accrued liabilities. Actual results could differ from these estimates.

3. Financial risks and concentration of risk

The Foundation actively manages the risks that arise from its use of financial instruments, including liquidity, credit, market, currency and interest rate risk. The Foundation does not utilize derivatives or other off-balance sheet instruments, nor does the Foundation engage in hedging transactions.

Liquidity risk
Liquidity risk is the risk that the Foundation will be unable to fulfil its obligations on a timely basis or at a reasonable cost. A key liquidity requirement for the Foundation is grant commitments and monitoring its operating requirements. Liquidity risk is managed by investing the majority of the Foundation's assets in investments that are traded in an active market and can be readily liquidated and by monitoring its operating requirements. In addition, the Foundation aims to retain sufficient cash positions to maintain liquidity. The Foundation's investments are considered readily realizable and liquid, in management's opinion the Foundation's liquidity risk is considered minimal. There has been no change to the risk exposures from 2024.

Credit risk
Credit risk is the potential for a financial loss should a counter party in a transactions fail to meet its obligations. The Foundation's investments in short-term investments, bonds and debentures are subject to credit risk. The maximum exposure to credit risk on these financial instruments is their carrying values.

Market risk
Returns on the Foundation's investments are subject to risk factors specific to general economic conditions. The market value presents the Foundation's maximum exposure to market risk. The Foundation reduces this risk through the use of an external investment manager that invests in a diversified portfolio.

Currency risk
The Foundation is subject to fluctuations in the value of the Canadian dollar relative to the U.S. dollar in the normal course of activities. A portion of investments is held in U.S. dollars, so fluctuations in the exchange rate may affect financial results when converted to the Foundation's functional currency. The Foundation's risk is limited to the fair market value of U.S. dollars reported in the functional currency of $1,944,568 (2024 - $1,974,674).

Interest rate risk
The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Foundation is exposed to this type of risk as a result of investments in short-term investments, bonds and money market funds. The risk associated with investments is managed by the external investment manager.

4. Investments

Investments are managed on a discretionary basis by Leith Wheeler Investment Counsel Ltd. and are reported at market value. The asset allocations at year end are as follows.

	2025	2024
Fixed income investments	$ 6,922,068	$ 6,404,430
Equity investments	15,683,935	15,758,461
Fair market value of investments	**$ 22,606,003**	**$ 22,162,891**

5. Restricted funds

Restricted funds are managed under two separate programs.

The first program manages 89 dedicated funds that have been established by various donors in support of scholarships, programs and clubs. The funds are eligible to receive up to $20,000 in matching funds from the Foundation and are allocated investment income at a targeted rate of return of 3.5% annually. Representatives of the funds may determine if annual returns are re-invested or distributed. No distributions are made until the fund reaches $25,000 or $10,000 for scholarships. Capital can be withdrawn for capital projects at a rate of up to 50% of contributions or upon agreement with the board of directors of the Foundation in special circumstances.

Contributions made by donors to these funds are externally restricted by a representative of the fund. The allocation of grants and investment income to these funds is an internal restriction resulting from allocations approved by the Foundation.

The second program manages 5 specific funds that have been established as their own investment accounts managed within the Foundation for a minimum term of 25 years. These funds must retain minimum value of $1 Million to allow for all investment income, capital appreciation and changes in market value to be allocated directly to these funds and are subject to an administration and general fee ranging from 1% to 1.7% annually payable to the operating fund. If the minimum values are not met, the funds will receive an investment income allocation of 3.5% on the first $100,000 and 4% on amounts exceeding $100,000 and is no longer subject to the administration and general fee.

Annual distributions of income are allowed and requests to withdraw capital can be made to fund capital projects based on the agreements of each fund. Contributions made by donors to these funds are externally restricted by a representative of the fund.

Included in the Foundation's total net assets are both types of restricted funds in the fund balances which are comprised of the following transactions in the year.

	2025	2024
Opening balance	$ 21,318,094	$ 19,539,006
Increases		
Restricted donations received	3,091,153	1,115,490
Internally restricted investment income allocated	975,641	1,122,550
Internally restricted grants allocated	117,459	137,671
Change in fair market value	449,091	759,722
Decreases		
Fund distributions	(1,994,975)	(1,080,628)
Management fee	(204,992)	(205,129)
Investment management fees	(62,661)	(70,588)
Closing balance	**$ 23,688,810**	**$ 21,318,094**

6. Investment income

Investment income is comprised of the following:

	2025	2024
Dividend income	$ 154,981	$ 132,625
Foreign investment income	216,461	325,521
Interest income	288,178	298,563
Capital gain dividends	189,349	76,227
Gain on the sale of securities	321,409	580,252
Less: Foreign taxes paid	(14,301)	(29,155)
	$ 1,156,077	**$ 1,384,033**

7. Life insurance policies

The Foundation is the owner and beneficiary of four life insurance policies with face amounts totaling $450,000 (2024 - $450,000).

During the year, the Foundation did not receive any payouts on these life insurance policies (2024 - no payouts).