

CHILDREN'S AID FOUNDATION OF OTTAWA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Independent Auditors' Report
Statement of Financial Position
Statement of Operations
Statement of Changes in Net Assets
Statement of Cash Flows
Notes to Financial Statements

INDEPENDENT AUDITORS' REPORT

To: The Members of the Congregation
Children's Aid Foundation of Ottawa
Ottawa, Ontario

Qualified Opinion

We have audited the financial statements of Children's Aid Foundation of Ottawa, which comprise the statement of financial position as at December 31, 2025, and the statement of operations, statement of changes in net assets and cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Children's Aid Foundation of Ottawa as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Children's Aid Foundation of Ottawa derives from loose charitable donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Children's Aid Foundation of Ottawa. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, cash flows from operations and net assets for both December 31, 2025 and the previous year.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity 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 qualified 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of 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 auditors' 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 audit 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 controls.
- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 matter 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.

Frouin Group Professional Corporation
Ottawa, Ontario
TBD

CHILDREN'S AID FOUNDATION OF OTTAWA
AUDITED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	General Fund		Restricted Fund		Endowment Fund		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
CURRENT ASSETS								
Cash	\$ 460,239	\$ 604,501	\$ 0	\$ 0	\$ 138,135	\$ 4,600,000	\$ 598,374	\$ 5,204,501
Short-term investments (Note 2f)	209,824	423,390	0	0	4,641,275	0	4,851,099	423,390
HST rebate receivable	13,078	8,118	0	0	0	0	13,078	8,118
Accounts receivable	13,285	2,500	0	0	0	0	13,285	2,500
Prepaid expenses	8,011	2,000	0	0	0	0	8,011	2,000
Held by General Fund in trust	(654,515)	(988,648)	804,515	988,648	(150,000)	0	0	0
	49,922	51,861	804,515	988,648	4,629,410	4,600,000	5,483,847	5,640,509
LONG-TERM INVESTMENTS (Note 2f)	1,106,283	828,652	0	0	0	0	1,106,283	828,652
TOTAL ASSETS	\$ 1,156,205	\$ 880,513	\$ 804,515	\$ 988,648	\$ 4,629,410	\$ 4,600,000	\$ 6,590,130	\$ 6,469,161
CURRENT LIABILITIES								
Accounts payable and accrued liabilities	\$ 347,661	\$ 62,863	\$ 0	\$ 0	\$ 0	\$ 0	\$ 347,661	\$ 62,863
NET ASSETS								
Restricted (Note 4)	0	0	804,515	988,648	0	0	804,515	988,648
Unrestricted	808,544	817,650	0	0	0	0	808,544	817,650
Endowment Fund (Note 5)	0	0	0	0	4,629,410	4,600,000	4,629,410	4,600,000
TOTAL NET ASSETS	808,544	817,650	804,515	988,648	4,629,410	4,600,000	6,242,469	6,406,298
TOTAL LIABILITIES AND NET ASSETS	\$ 1,156,205	\$ 880,513	\$ 804,515	\$ 988,648	\$ 4,629,410	\$ 4,600,000	\$ 6,590,130	\$ 6,469,161

APPROVED ON BEHALF OF THE BOARD:

Director 

Director 

(See accompanying Notes to Financial Statements)

CHILDREN'S AID FOUNDATION OF OTTAWA
AUDITED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund		Restricted Fund		Endowment Fund		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
REVENUE								
Directed Programs	\$ 0	\$ 0	\$ 1,203,461	\$ 1,096,830	\$ 0	\$ 0	\$ 1,203,461	\$ 1,096,830
Special Events and Donations	581,151	582,338	0	0	0	0	581,151	582,338
Interest and Dividend Revenue	86,383	93,374	0	0	59,548	0	145,931	93,374
In-Kind Donations (Note 3)	32,272	32,272	0	0	0	0	32,272	32,272
Endowment Contribution	0	0	0	0	0	4,600,000	0	4,600,000
Realized Investment Gain	0	0	0	0	14,423	0	14,423	0
Unrealized Gain	0	0	0	0	105,439	0	105,439	0
	699,806	707,984	1,203,461	1,096,830	179,410	4,600,000	2,082,677	6,404,814
EXPENSES								
Fundraising Expenses	176,970	160,268	0	0	0	0	176,970	160,268
Development & Administration	322,422	297,240	0	0	0	0	322,422	297,240
	499,392	457,508	0	0	0	0	499,392	457,508
Charitable Programs								
Dare to Dream	0	0	245,104	226,226	0	0	245,104	226,226
Youth Mental Health	0	0	329,236	11,366	0	0	329,236	11,366
Shanley Shines Fund	0	0	308	5,825	0	0	308	5,825
Exceptional KIN Fund	0	0	50,000	50,411	0	0	50,000	50,411
Camp for Kids	0	0	53,000	56,869	0	0	53,000	56,869
Special Needs	0	0	51,261	12,081	0	0	51,261	12,081
Children's Aid Society - Other	0	0	150,325	102,945	0	0	150,325	102,945
Youth Transition	0	0	140,103	161,616	0	0	140,103	161,616
Youth Works	0	0	190,420	194,117	0	0	190,420	194,117
Foster Care Transition	0	0	7,376	16,765	0	0	7,376	16,765
Gender Based Violence	0	0	529,981	0	0	0	529,981	0
	0	0	1,747,114	838,221	0	0	1,747,114	838,221
TOTAL EXPENSES	499,392	457,508	1,747,114	838,221	0	0	2,246,506	1,295,729
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 200,414	\$ 250,476	\$ (543,653)	\$ 258,609	\$ 179,410	\$ 4,600,000	\$ (163,829)	\$ 5,109,085

(See accompanying Notes to Financial Statements)

CHILDREN'S AID FOUNDATION OF OTTAWA
AUDITED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund		Restricted Fund		Endowment Fund		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Fund balances, beginning of year	\$ 817,650	\$ 581,395	\$ 988,648	\$ 715,818	\$ 4,600,000	\$ 0	\$ 6,406,298	\$ 1,297,213
Excess / (deficiency) of revenue over expenses	200,414	250,476	(543,653)	258,609	179,410	4,600,000	(163,829)	5,109,085
Transfer between funds	(209,520)	(14,221)	359,520	14,221	(150,000)	0	0	0
Fund balances, end of year	\$ 808,544	\$ 817,650	\$ 804,515	\$ 988,648	\$ 4,629,410	\$ 4,600,000	\$ 6,242,469	\$ 6,406,298

(See accompanying Notes to Financial Statements)

CHILDREN'S AID FOUNDATION OF OTTAWA
AUDITED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess/(deficiency) of revenues over expenses for the year	\$ (163,829)	\$ 5,109,085
Cash flows from current operating items	<u>263,042</u>	<u>12,981</u>
	<u>99,213</u>	<u>5,122,066</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	<u>(4,705,340)</u>	<u>(68,100)</u>
 NET CHANGE IN CASH	 (4,606,127)	 5,053,966
CASH, beginning of year	<u>5,204,501</u>	<u>150,535</u>
CASH, end of year	<u>\$ 598,374</u>	<u>\$ 5,204,501</u>
 REPRESENTED BY:		
Cash	<u>\$ 598,374</u>	<u>\$ 5,204,501</u>

(See accompanying Notes to Financial Statements)

CHILDREN'S AID FOUNDATION OF OTTAWA
NOTES TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. ORGANIZATION

Children's Aid Foundation of Ottawa (the "Foundation") is responsible for raising additional funds for the activities of the Children's Aid Society of Ottawa over and above the current revenue which it receives from the Provincial Government. The Foundation was incorporated June 30, 1988 as a not-for-profit organization under the Ontario Corporations Act and is a registered charity under the Income Tax Act and, as such, is exempt from income tax taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a. Capital assets

Computer equipment is recorded at cost and is amortized on a straight-line basis over three years. Currently, all capital assets are fully-amortized.

b. Contributed materials and services

Contributions received in the form of materials and services are recorded at fair value at the date of contribution when the fair value can be reasonably estimated and when the materials and services are used in the normal course of operations.

Volunteers contribute a significant amount of time in carrying out the Foundation's activities. Since these services are not normally purchased by the Foundation and because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

c. Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue as they are received or considered receivable, in the appropriate fund. Unrestricted contributions are recognized as revenue of the appropriate fund when receivable or received if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in the Endowment Fund balance.

d. Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period.

CHILDREN'S AID FOUNDATION OF OTTAWA
NOTES TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments

The carrying value of cash, accounts receivable, HST recoverable, and accounts payable approximate their fair value because of the relatively short period to maturity of the instruments.

f. Short-term and long-term investments

The Foundation carries its short-term and long-term investments at fair value. Any gains or losses, realized and unrealized, are recorded in revenue. Cash balances in the investment accounts are reflected in the investment balances.

g. Allocation of expenses

The Foundation engages in programs to raise additional funds in support of the activities of the Children's Aid Society of Ottawa that are not otherwise covered by their government funding.

The Foundation incurs fundraising and administration expenses that are common to each of its programs - including fundraising expenses, corporate governance, general management and general support.

h. Fund accounting

The accounts of the Foundation are prepared using the restricted fund method and are classified for reporting purposes into funds in accordance with activities or objectives as specified by the donors or in accordance with the directives issued by the Board of Directors. For financial reporting purposes, the funds have been classified into three funds consisting of restricted, unrestricted general, and endowment funds. The restricted fund includes major gifts and donations, the use of which is restricted by donors to various charitable programs. The unrestricted general fund includes day-to-day transactions of the Foundation and all administrative expenditures.

Endowment contributions and interest are reported as income in the Margrit and Stanley Ironstone Fund.

3. RELATED PARTY TRANSACTIONS

The Children's Aid Society of Ottawa provides free office space and other services to the Foundation. The fair value of this contribution is estimated to be \$32,272 (2024: \$32,272) and has been recorded both as in-kind donations revenue and as an administration expense. Charitable disbursements made to the Children's Aid Society of Ottawa during the year totaled \$150,325 (2024: \$102,945). At year-end, the Foundation owed \$34,512 (2024: \$5,237) to the Children's Aid Society of Ottawa.

CHILDREN'S AID FOUNDATION OF OTTAWA
NOTES TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. RESTRICTED NET ASSETS

	Balance Dec. 31, 2024	Donations Received	Distributions	Transfers	Balance Dec. 31, 2025
Dare to Dream	\$ 430,136	\$ 135,232	\$ 245,104	\$ 0	\$ 320,264
Camp for Kids	1,543	67,750	53,000	0	16,293
Special Needs Fund	46,261	5,000	51,261	0	0
Holiday Gift Program	0	39,800	93,304	53,504	0
Cookie Jar	146	27,859	57,021	29,016	0
CAST	3,794	455	0	0	4,249
Shanley Shines Fund	5,858	4,262	308	0	9,812
Exceptional Kinship Fund	49,589	50,267	50,000	0	49,856
Youth Works	199,830	170,500	190,420	0	179,910
Youth Transition	123,815	92,223	140,103	0	75,935
Foster Care Transition	14,038	10,400	7,376	0	17,062
Gender Based Violence	0	599,713	529,981	0	69,732
Youth Mental Health & Healthcare	<u>113,638</u>	<u>0</u>	<u>179,236</u>	<u>127,000</u>	<u>61,402</u>
	<u>\$ 988,648</u>	<u>\$ 1,203,461</u>	<u>\$ 1,597,114</u>	<u>\$ 209,520</u>	<u>\$ 804,515</u>

5. ENDOWMENT FUND

	Balance Dec. 31, 2024	Income Received	Distributions	Transfers	Balance Dec. 31, 2025
Margrit and Stanley Ironstone	\$ <u>4,600,000</u>	\$ <u>179,410</u>	\$ <u>150,000</u>	\$ <u>0</u>	\$ <u>4,629,410</u>

The Foundation established the Margrit and Stanley Ironstone Fund in 2024. The purpose of the Fund is to support the charitable purposes and activities of the Foundation in force from time to time and to further charitable purposes and activities carried out by a recipient that may receive support from the Fund.

The Board of Directors approved \$150,000 (2024: \$0) to be disbursed from the Ironstone Endowment to support youth's medical, dental, and healthcare expenses.

6. FINANCIAL INSTRUMENT RISK

The Foundation is exposed to various risks through its financial instruments. The following analysis presents the Foundation's exposures to significant risk at December 31, 2025.

CHILDREN'S AID FOUNDATION OF OTTAWA
NOTES TO AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

6. FINANCIAL INSTRUMENT RISK (continued)

a. Credit risk

The Foundation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Foundation's maximum exposure to credit risk represents the sum of the carrying value of its cash and equivalents, accounts receivable and investments. The Foundation's cash and equivalents are deposited with Canadian Chartered banks and as a result management believes the risk of loss on these items is remote. The accounts receivable is expected to be collected.

b. Currency risk

The Foundation's functional currency is the Canadian dollar. The Foundation does not enter into foreign currency transactions and does not use foreign exchange forward contracts.

c. Liquidity risk

The Foundation manages its liquidity risk by regularly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash. Accounts payable are normally paid within 30 days.

d. Interest rate risk

The Foundation is exposed to interest rate risk with regards to its cash and investments. The Foundation has no interest-bearing liability. Fluctuations in market rates of interest on cash do not have a significant impact on the Foundation's results of operations. Investments are in equity mutual funds and returns on this can vary (see Note 2f). An ongoing review is performed to evaluate changes in the status of investments under the Foundation's investment policy.

There have been no changes to the risk exposures described above from 2024.

7. COMMITMENTS

The Foundation has entered into an ongoing agreement for donor management and fundraising software services. Total minimum recurring fees will be \$3,586 USD per year.

The Foundation has entered an agreement for a golf tournament that is to take place in September 2026. The estimated cost related to this event is \$11,300 plus HST. The Foundation has committed a non-refundable deposit of \$500.

The Foundation has entered an agreement for a Salut Fundraising Dinner to take place in May 2026. The Foundation has contractual commitments of \$7,500 plus HST for this event.

The Foundation has entered an agreement for a audio and visual services for an event that is to take place in October 2026. The estimated cost related to these services is \$13,795 plus HST.