

Kawartha-Haliburton Childrens Foundation
Financial Statements
For the year ended December 31, 2025

Kawartha-Haliburton Childrens Foundation

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For the year ended December 31, 2025

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To the Board of Directors of Kawartha-Haliburton Childrens Foundation:

Qualified Opinion

We have audited the financial statements of Kawartha-Haliburton Childrens Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and changes in fund balances and cash flows 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 the Foundation as at December 31, 2025, and its financial performance and its 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, the Foundation derives revenue from donations and fundraising activities, 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 the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues 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 January 1 and December 31 for both the 2025 and 2024 years.

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 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 qualified 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 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.

Peterborough, Ontario

May 8, 2026

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Kawartha-Haliburton Childrens Foundation

Statement of Financial Position

As at December 31, 2025

	Operating Fund	Restricted Fund	Endowment Fund	2025 \$	2024 \$
Assets					
Current					
Cash	154,883	-	-	154,883	161,262
Short-term investments (Note 3)	-	103,137	54,019	157,156	123,906
Accounts receivable	11,274	-	-	11,274	3,516
Prepaid expenses	7,589	-	-	7,589	14,500
Interfund loans	37,372	(37,372)	-	-	-
	211,118	65,765	54,019	330,902	303,184
Long-term investments (Note 3)	-	418,478	219,185	637,663	574,391
	211,118	484,243	273,204	968,565	877,575
Liabilities					
Current					
Accounts payable and accrued liabilities	10,765	-	-	10,765	8,314
Deferred contributions (Note 4)	200,353	-	-	200,353	165,030
	211,118	-	-	211,118	173,344
Fund Balances					
Internally restricted	-	484,243	-	484,243	431,027
Externally restricted	-	-	273,204	273,204	273,204
	-	484,243	273,204	757,447	704,231
	211,118	484,243	273,204	968,565	877,575

Approved on behalf of the Board of Directors

e-Signed by Doug Robinson
2026-05-04 18:40:38:38 EST

Director

e-Signed by John Bardawill
2026-05-05 11:24:26:26 EST

Director

The accompanying notes are an integral part of these financial statements

Kawartha-Haliburton Childrens Foundation

Statement of Operations

For the year ended December 31, 2025

	Operating Fund	Restricted Fund	2025 \$	2024 \$
Revenue				
Donation revenue	458,529	-	458,529	482,643
Fundraising events	35,023	-	35,023	25,631
Grant revenue (Note 6)	69,629	-	69,629	83,424
Santa's Sleigh	25,544	-	25,544	34,030
Membership fees	119	-	119	110
Gifts in kind - advertising and program supplies	24,136	-	24,136	25,739
	612,980	-	612,980	651,577
Expenses				
Bursaries	171,475	-	171,475	199,100
Camp and other needs	190,735	-	190,735	285,161
Gifts in kind - advertising and program supplies	24,136	-	24,136	25,739
Marketing and fundraising expense	62,463	-	62,463	19,168
Office expenses	12,541	-	12,541	10,542
Professional fees	22,599	-	22,599	18,051
Salaries and benefits	149,634	-	149,634	132,642
	633,583	-	633,583	690,403
Excess (deficiency) of revenue over expenses before other income	(20,603)	-	(20,603)	(38,826)
Other income				
Interest, dividends and other investment income	44,025	-	44,025	37,215
Gain on investments	29,794	-	29,794	23,082
	73,819	-	73,819	60,297
Excess of revenue over expenses	53,216	-	53,216	21,471

The accompanying notes are an integral part of these financial statements

Kawartha-Haliburton Childrens Foundation Statement of Changes in Fund Balances

For the year ended December 31, 2025

	<i>Operating Fund</i>	<i>Restricted Fund</i>	<i>Endowment Fund</i>	2025 \$	2024 \$
Fund balances, beginning of year	-	431,027	273,204	704,231	682,760
Excess of revenue over expenses	53,216	-	-	53,216	21,471
Interfund transfers (Note 5)	(53,216)	53,216	-	-	-
Fund balances, end of year	-	484,243	273,204	757,447	704,231

The accompanying notes are an integral part of these financial statements

Kawartha-Haliburton Childrens Foundation

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
	\$	\$
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	53,216	21,471
Non-cash items		
Unrealized gain on investments	(16,174)	(23,082)
	37,042	(1,611)
Changes in working capital accounts		
Accounts receivable	(7,758)	2,214
Prepaid expenses	6,911	13,107
Accounts payable and accrued liabilities	2,451	(1,581)
Deferred contributions	35,323	(47,445)
	73,969	(35,316)
Investing		
Net change in investments	(80,348)	72,911
Increase (decrease) in cash resources	(6,379)	37,595
Cash resources, beginning of year	161,262	123,667
Cash resources, end of year	154,883	161,262

The accompanying notes are an integral part of these financial statements

Kawartha-Haliburton Childrens Foundation

Notes to the Financial Statements

For the year ended December 31, 2025

1. Nature of the organization

Kawartha-Haliburton Childrens Foundation (the "Foundation") was incorporated March 4, 1982 without share capital under the laws of Ontario and is a registered charity and thus is exempt from income taxes and may issue income tax receipts to donors.

The Foundation was formed to generate and manage donation funds and other gifts to enrich the quality of life of children found in need of protection by the Kawartha-Haliburton Children's Aid Society.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, using the following significant accounting policies:

Revenue recognition

The Foundation uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the Operating Fund when 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 the Endowment Fund balance.

Restricted investment income is recognized in the appropriate deferred contribution balance or in net assets depending on the nature of the restrictions. Unrestricted investment income is recognized as revenue in the Operating Fund when earned.

Fund accounting

The Foundation follows the deferral method of accounting for contributions and reports using fund accounting, and maintains 3 funds: Operating Fund, Restricted Fund and Endowment Fund.

The Operating Fund reports the Foundation's revenues and expenses related to program delivery and administrative activities.

The Endowment Fund reports the Foundation's resources contributed for endowment. Unrestricted investment income earned on resources of the Endowment Fund is reported in the Operating Fund. Gains and losses on disposals of investments are reflected in the Operating Fund.

The Restricted Fund reports the Foundation's revenues and expenses for special purposes which are internally restricted.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Foundation's operations and would otherwise have been purchased.

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

These financial statements do not reflect the substantial value of gifts donated by the community as part of the Santa's Sleigh, due to the difficulty in determining their fair value.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Cloud computing arrangements

The Foundation has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Foundation recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred.

Kawartha-Haliburton Childrens Foundation

Notes to the Financial Statements

For the year ended December 31, 2025

2. Significant accounting policies *(Continued from previous page)*

Allocation of expenses

The Foundation engages in children and youth support, enrichment and fundraising programs. The costs of each program include the costs of personnel and other expenses that are directly related to providing the program. The Foundation also incurs a number of general support expenses that are common to the administration of the Foundation and each of its programs.

Salaries and benefits are allocated to programs based on staff time estimates, by position, of the hours spent administering each program. These hours are combined and prorated for each employee's full-time equivalent to determine weighted average hours by program. Salaries and benefits are then allocated to each program based on its share of total weighted average hours. Fundraising and general overhead expenses are allocated using this same basis.

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

3. Investments

Investments are comprised of the following:

	2025	2024
	\$	\$
Short-term investments:		
Cash and money market funds	157,156	16,597
Fixed income	-	107,309
	157,156	123,906
Long-term investments:		
Fixed income	370,923	344,407
Canadian equity funds	144,996	121,378
United States equity funds	66,060	57,832
Foreign equity funds	55,684	50,774
	637,663	574,391
	794,819	698,297

Kawartha-Haliburton Childrens Foundation
Notes to the Financial Statements
For the year ended December 31, 2025

4. Deferred contributions

Deferred contributions represent restricted operating funding received in the current period that is related to expenses of a subsequent period.

Deferred contributions are comprised of the following:

	2025	2024
	\$	\$
Bursary program	76,623	65,793
Deferred grants:		
Children's Aid Foundation of Canada	7,978	19,535
Restricted donations	115,752	79,702
	200,353	165,030

5. Interfund transfers and internal restrictions on net assets

During 2014, the Foundation's Board of Directors approved the creation of a Restricted Fund, which is a budget stabilization fund to be held to offset future operating deficits. During the year the board of directors transferred \$53,216 from the Operating Fund to the Restricted Fund (2024 - \$21,471). These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

6. Grant revenue

Grants are recorded as income when the criteria for earning them have been met and are otherwise deferred. Grant revenues are comprised of the following:

	2025	2024
	\$	\$
Federal government grants:		
Employment and Social Development Canada	5,272	4,750
Other grants:		
Childrens Aid Foundation of Canada	56,057	64,654
Community Foundation of Greater Peterborough	8,300	11,875
	69,629	81,279

Kawartha-Haliburton Childrens Foundation

Notes to the Financial Statements

For the year ended December 31, 2025

7. Allocation of expenses

Salaries and benefits, fundraising and general overhead expenses have been allocated as follows:

	2025 <i>Total</i> \$	2024 <i>Total</i> \$
Flourish programs	100,061	65,320
Thrive programs	52,005	20,750
Other	-	1,750
	152,066	87,820

Programs are grouped into two categories, including Flourish programs, which include life enrichment initiatives (Santa's Sleigh, summer camp, child development, Nellie Mellish, bursaries, and ignite the spark), and Thrive programs, which include essentials and support initiatives (community support, backpacks, sweet dreams, boots and coats, child safety equipment, comfort kits, and youth living independently).

8. Related party transactions

The Kawartha-Haliburton Children's Aid Society is a child protection agency mandated under the Child, Youth and Family Services Act in Ontario and is responsible for the care and protection of children in the Cities of Peterborough and Kawartha Lakes and the Counties of Peterborough and Haliburton. Kawartha-Haliburton Children's Foundation generates and manages donation funds and other gifts to enrich the quality of life of children found in need of protection by the Kawartha-Haliburton Children's Aid Society. As the Foundation's purpose is integrated with that of the Kawartha-Haliburton Children's Aid Society, the two organizations are related.

Kawartha-Haliburton Children's Aid Society owns the building in which the Foundation operates. Office space is provided to the Foundation on a rent-free basis. No amount related to these transactions was recognized in the financial statements.

9. Kawartha-Haliburton Children's Fund

During 2022, the Foundation contributed \$150,000 to the Community Foundation of Greater Peterborough (CFGF) for the creation of the Kawartha-Haliburton Children's Fund (the Fund) that is managed by CFGF on a long-term basis. The purpose of the Fund is to support the programs, services and operations of Kawartha-Haliburton Children's Foundation. The Fund is managed by professional investment advisors and is controlled and monitored by CFGF. Annually, CFGF will determine the amount available for distribution from the Fund and make distributions in accordance with established policies, at their discretion.

10. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation's investments in publicly-traded securities and corporate bonds exposes the Foundation to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets. The Foundation manages market risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis.