

**CAPITALIZE FOR KIDS**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**CAPITALIZE FOR KIDS**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors of  
**Capitalize for Kids**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Capitalize for Kids, which comprise the statement of financial position as at December 31, 2025, and the statements of operations and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Capitalize for Kids as at December 31, 2025, and the results of its operations and changes in net assets and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

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.

## INDEPENDENT AUDITORS' REPORT (Continued)

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### *Responsibilities of Management and Those Charged with Governance 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 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.

### *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.

## INDEPENDENT AUDITORS' REPORT (Continued)

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- 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.

**KRIENS~LAROSE, LLP**

**KRIENS~LAROSE, LLP**

**Chartered Professional Accountants  
Licensed Public Accountants**

April 28, 2026  
Toronto, Ontario

CAPITALIZE FOR KIDS  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2025

	2025	2024
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	1,023,144	815,708
Accounts receivable (Note 2)	6,080	268
Government remittance receivable	-	3,114
Prepaid expenses	29,882	9,836
	1,059,106	828,926
<b>CAPITAL ASSETS (Note 3)</b>	53,032	62,018
	1,112,138	890,944
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	63,204	47,039
Government remittances payable	29,169	-
Due to Capitalize for Kids Foundation (Note 4)	548,856	378,213
	641,229	425,252
<b>NET ASSETS</b>		
Unrestricted net assets	470,909	465,692
	1,112,138	890,944

APPROVED ON BEHALF OF THE BOARD:

Ted Garrard, Director

[Signature], Director

CAPITALIZE FOR KIDS  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
 FOR THE YEAR ENDED DECEMBER 31, 2025

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	2025	2024
	\$	\$
<b>REVENUES</b>		
Investors Conference	1,509,755	1,267,288
Corporate sponsors	815,000	779,800
Gain on foreign exchange	3,082	11,738
Investment income	3,261	9,055
Strides Toronto	-	1,159
	2,331,098	2,069,040
<b>EXPENSES</b>		
Donation to Capitalize for Kids Foundation (Note 4)	744,000	-
Wages and benefits	687,850	923,160
Investors Conference	396,053	415,594
Office	186,185	203,453
Legal and audit	139,692	154,760
Advertising and promotion	78,116	281,532
Processing fees	30,509	29,724
Subscriptions	29,953	13,007
Amortization	20,258	14,779
Other expense	9,519	548
Impact expense	2,283	-
Interest and bank charges	1,153	2,604
Event management	310	4,796
Bad debt	-	7,150
	2,325,881	2,051,107
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	5,217	17,933
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	465,692	447,759
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	470,909	465,692

See accompanying notes to the financial statements

CAPITALIZE FOR KIDS  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2025

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	2025	2024
	\$	\$
<b>CASH WAS PROVIDED BY (USED IN):</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from corporate sponsors	815,000	677,300
Cash receipts from Investors Conference	1,504,275	1,440,939
Cash receipts from other revenue	3,261	102,171
Cash (paid) to suppliers and employees	(2,106,910)	(2,139,311)
	215,626	81,099
<b>CASH FOR INVESTING ACTIVITIES</b>		
Purchase of equipment	(11,272)	(76,797)
Foreign exchange gain on cash and cash equivalents held in foreign currency	3,082	11,738
Change in cash and cash equivalents	207,436	16,040
Cash and cash equivalents, beginning of year	815,708	799,668
Cash and cash equivalents, end of year	1,023,144	815,708

See accompanying notes to the financial statements

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## PURPOSE OF THE ORGANIZATION

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Capitalize for Kids (“the Organization”) is a not-for-profit organization whose purpose is to be a permanent and growing source of capital and resource support for the Capitalize for Kids Foundation mission work.

The Organization’s main revenue generating initiatives are the Investors Conference and the Bay Street Games.

The Investors Conference is Canada’s top best ideas and capital introduction conference where top portfolio managers donate their time to present best ideas and subject matter experts discuss key issues on panels. The Organization earns revenues from tickets sold to investors or other interested individuals who pay to hear these ideas and panels, and also to meet managers and allocators. Additional funds are also derived from sponsorship and/or donations from individuals and institutions.

The Bay Street Games is an annual one-day fundraising event where participants create teams and raise money to compete in athletic competitions. The Organization earns revenues from fundraising and sponsorships.

The Organization, which is incorporated under the Canada Not for Profits Corporations Act, is exempt from income taxes.

## 1. SIGNIFICANT ACCOUNTING POLICIES

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The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

### **Financial Instruments**

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Capitalize for Kids Foundation

Continued...

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Use of Estimates**

The preparation of financial statements in accordance 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and short-term investments in a high-interest savings account with maturities of less than 90 days. Short-term investments are comprised of cash and mutual/segregated funds. Short-term investments are recorded and carried at fair market value.

**Prepaid Expenses**

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

**Capital asset and Amortization**

Capital asset is stated at acquisition cost. Amortization is provided on a straight-line basis at the following annual rates:

Computer equipment	3 years
Leasehold improvements are amortized over the term of the lease.	

Where capital asset no longer has any long-term service potential to the Organization, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of operations.

**Revenue Recognition**

The Organization uses the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are initially deferred and recognized as revenue in the year in which the related expenses are incurred and when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Fees earned from the sale of Investors Conference tickets and corporate sponsorships are recognized when the services have been provided, if the amount can be reasonably estimated and collection is reasonably assured.

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1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Revenue and expenses are translated at exchange rates in effect on the date of the transaction. Gains or losses on these transactions are included in the statement of operations and changes in unrestricted net assets.

**Donated Property and Services**

During the year voluntary services were provided. Due to the fact that these services are not normally purchased by the Organization, and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

**Related Party Transactions**

Related party transactions in the normal course of business are recorded at the exchange amount which is the amount of consideration exchanged in the transaction. Related party transactions outside the normal course of business are recorded at either the exchange amount or the carrying amount depending on the substance of the transaction.

Carrying amount is defined as the recorded amount of the item transferred.

For transactions with related parties involving financial instruments they are initially and subsequently recorded at cost unless the financial instrument is an equity instrument quoted in an active market.

Cost is defined depending on the existence or absence of repayment terms. If there are repayment terms then cost is the undiscounted cash flows from excluding any interest element. If there are no repayment terms then cost is determined to be either the exchange amount or the carrying amount depending on the substance of the transaction.

Continued...

**2. ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following:

	2025	2024
	\$	\$
Investors Conference	5,480	-
Other receivables	600	268
	6,080	268

**3. CAPITAL ASSETS**

	2025		2024	
	Cost	Accumulated	Cost	Accumulated
	\$	\$	\$	\$
Computer equipment	21,268	7,107	9,996	1,897
Leasehold improvements	66,801	27,930	66,801	12,882
	88,069	35,037	76,797	14,779
Net book value	53,032		62,018	

Continued...

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**4. RELATED PARTY TRANSACTIONS**

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The Organization is related to the Capitalize for Kids Foundation ("the Foundation"), which is a registered charity. The Foundation was established to receive and maintain funds and to develop an income stream from these funds. It will disburse funds from time to time to qualified donees within the meaning of the Canadian Income Tax Act. Several officers and directors of the Organization hold similar positions with the Foundation. During the year the Organization pledged to donate \$744,000 (2024: \$nil) to the Foundation which is shown as an expense in the statement of operations.

Included in liabilities is an amount of \$548,856 (2024: \$378,213) due to Capitalize for Kids Foundation mainly for a grant provided to the Foundation. The Organization provides marketing and fund raising support to the Foundation and recovers a portion of wages and benefits for this service. The total of these amounts is \$1,818,392 (2024 - \$898,991). These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**5. COMMITMENTS**

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The Organization has an operating lease for its premises for the period January 1, 2024 to July 31, 2028. In addition to the minimum lease payments there is an annual obligation to pay operating costs of approximately \$59,000 per year.

Estimated minimum annual lease payments for the term of the lease are as follows:

2026	38,624
2027	39,386
2028	23,598

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101,608

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5. **COMMITMENTS (Continued)**

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Effective February 21, 2025, the Organization entered into an agreement with Cvent Canada, Inc. for the period ending February 20, 2027 to provide online event registration and payment platform service for a total cost of \$17,720. The payment for the period February 21, 2026 to February 20, 2027 is \$4,718.

Effective February 22, 2025, the Organization entered into an agreement with Cvent Canada, Inc. for the period ending February 21, 2027 to provide onsite event solutions for the C4K Investors Conference 2025 and 2026 for a total cost of \$39,460. The payment for the period February 25, 2026 to February 21, 2027 is \$19,730.

6. **FINANCIAL INSTRUMENTS**

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The Organization is exposed to various risks through its financial instruments. The following presents the Organization's risk exposures and concentrations at December 31, 2025.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$nil (2024: \$nil).

**Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is mainly in respect of its accounts payable and accrued liabilities and due to Capitalize for Kids Foundation. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment from the prior year.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

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6. **FINANCIAL INSTRUMENTS (Continued)**

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**Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization has a low foreign currency risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's investments are not subject to interest rate risk in respect of fluctuating interest rates as the majority of their investments are mutual funds. There is a moderate risk of market value adjustments on these investments which may result in cash flow risk. The Organization actively manages the risk by maintaining a balanced investment portfolio.

**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 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 Organization has some exposure to this risk in its investment portfolio.

**CAPITALIZE FOR KIDS FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

**CAPITALIZE FOR KIDS FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

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## INDEPENDENT AUDITORS' REPORT

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To the Directors of  
**Capitalize for Kids Foundation**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Capitalize for Kids Foundation, which comprise the statement of financial position as at December 31, 2025, and the statements of operations and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Capitalize for Kids 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.

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 opinion.

## INDEPENDENT AUDITORS' REPORT (Continued)

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### *Responsibilities of Management and Those Charged with Governance 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 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.

## INDEPENDENT AUDITORS' REPORT (Continued)

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- 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.

**KRIENS~LAROSE, LLP**

**KRIENS~LAROSE, LLP**

**Chartered Professional Accountants  
Licensed Public Accountants**

April 28, 2026  
Toronto, Ontario

CAPITALIZE FOR KIDS FOUNDATION  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2025

	2025	2024
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	2,110,080	2,390,980
Investments (Note 2)	3,181,536	2,729,120
Due from Capitalize for Kids (Note 4A)	548,856	378,213
Accounts receivable (Note 5)	28,113	2,402
Public Service Bodies HST rebate receivable	56,187	11,425
Prepaid expenses	2,382	-
	5,927,154	5,512,140
<b>CAPITAL ASSET</b> (Note 3)	5,720	-
	5,932,874	5,512,140
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	15,916	5,718
Deferred revenue (Note 6)	832,042	422,917
	847,958	428,635
<b>NET ASSETS</b>		
Unrestricted net assets	5,084,916	5,083,505
	5,932,874	5,512,140

APPROVED ON BEHALF OF THE BOARD:

Ted Garrard, Director      [Signature], Director

CAPITALIZE FOR KIDS FOUNDATION  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
 FOR THE YEAR ENDED DECEMBER 31, 2025

Page 5

	2025	2024
	\$	\$
<b>REVENUES</b>		
Donations (Note 4A)	1,835,876	717,185
Bay Street games	427,981	405,462
Impact consulting services (Note 6)	422,469	369,874
Investment income	82,000	132,989
(Loss) gain on foreign exchange	(18,345)	31,496
	2,749,981	1,657,006
<b>EXPENSES</b>		
Wages and benefits (Note 4A)	1,820,688	899,991
Impact program	459,442	478,038
Marketing	350,267	-
Collection fees and bank charges	53,820	10,717
Fundraising and philanthropy	14,654	-
Bay Street games (Note 4B)	30,678	50,456
Professional fees	19,021	9,043
	2,748,570	1,448,245
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	1,411	208,761
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	5,083,505	4,874,744
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	5,084,916	5,083,505

See accompanying notes to the financial statements

CAPITALIZE FOR KIDS FOUNDATION  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2025

Page 6

	2025	2024
	\$	\$
<b>CASH WAS PROVIDED BY (USED IN):</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from donations	2,381,653	1,089,649
Cash receipts from Bay Street games	422,981	405,462
Cash receipts from Impact consulting services	94,465	599,216
Cash receipts from other revenue	82,000	132,989
Cash paid to suppliers and employees	(2,785,518)	(1,463,960)
	195,581	763,356
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(458,136)	(132,989)
Foreign exchange (loss) gain on cash and cash equivalents and investments held in foreign currency	(18,345)	31,496
Change in cash and cash equivalents	(280,900)	661,863
Cash and cash equivalents, beginning of year	2,390,980	1,729,117
Cash and cash equivalents, end of year	2,110,080	2,390,980

See accompanying notes to the financial statements

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## PURPOSE OF THE FOUNDATION

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Capitalize for Kids Foundation (“the Foundation”) is a registered charity incorporated on June 25, 2015. Its charitable purpose is to help youth mental health leaders create a better system so vulnerable children and youth can access the mental health support they need. The Foundation builds capacity with youth mental health agencies by providing resources and expert pro bono consulting services that helps them improve processes, adopt technology to remove waitlists, and improve data and insights for faster and better care for children, youth and their families.

The Foundation also maintains a fund or funds and applies all or part of the principal and income there from, from time to time, to one or more qualified donees according to the meaning of the Income Tax Act (Canada) as amended from time to time.

The Foundation also undertakes activities ancillary and incidental to the attainment of the above charitable purpose.

The Foundation is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The Foundation receives donation revenue from the Capitalize for Kids organization, a related entity.

### 1. SIGNIFICANT ACCOUNTING POLICIES

---

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

#### **Financial Instruments**

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, due from Capitalize for Kids and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Continued...

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Use of Estimates**

The preparation of financial statements in accordance 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and short-term investments in a high-interest savings account with maturities of less than 90 days. Short-term investments are comprised of cash and mutual/segregated funds. Short-term investments are recorded and carried at fair market value.

**Prepaid Expenses**

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for the current fiscal year.

**Capital asset and Amortization**

The capital asset is stated at acquisition cost. Amortization is provided on a straight-line basis at the following annual rates:

Software	3 years
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Where the capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

**Revenue Recognition**

The Foundation uses the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions, arising primarily from grants, are initially deferred and recognized as revenue in the year in which the related expenses are incurred and when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

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1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Revenue and expenses are translated at exchange rates in effect on the date of the transaction. Gains or losses on these transactions are included in the statement of operations and changes in net assets.

**Donated Property and Services**

During the year voluntary services were provided. Due to the fact that these services are not normally purchased by the Foundation, and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

**Related Party Transactions**

Related party transactions in the normal course of business are recorded at the exchange amount which is the amount of consideration exchanged in the transaction. Related party transactions outside the normal course of business are recorded at either the exchange amount or the carrying amount depending on the substance of the transaction.

Carrying amount is defined as the recorded amount of the item transferred.

For transactions with related parties involving financial instruments they are initially and subsequently recorded at cost unless the financial instrument is an equity instrument quoted in an active market.

Cost is defined depending on the existence or absence of repayment terms. If there are repayment terms then cost is the undiscounted cash flows from excluding any interest element. If there are no repayment terms then cost is determined to be either the exchange amount or the carrying amount depending on the substance of the transaction.

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**2. INVESTMENTS**

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The investments consist of a high interest savings account with an annual interest rate of 2.08%, and a term deposit maturing January, 2026 with an annual interest rate of 3.65%.

**3. CAPITAL ASSET**

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	2025		2024	
	Cost	Accumulated	Cost	Accumulated
	\$	\$	\$	\$
Software	5,720	-	-	-
Net book value	5,720		-	

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The software is under development and is not in use in the fiscal year of 2025. Amortization was not recorded in the 2025 fiscal period.

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**4. RELATED PARTY TRANSACTIONS**

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**4A.** The Foundation is related to Capitalize for Kids, which is a not-for-profit entity devoted to fund raising activities. Several officers and directors of the Foundation hold similar positions within Capitalize for Kids. During the year the Foundation received a \$744,000 (2024: \$nil) pledge from Capitalize for Kids which is recorded as donation revenue in the statement of operations. Included in assets is an amount of \$548,856 (2024: \$378,213) due from Capitalize for Kids mainly for a grant provided to Capitalize for Kids and allocated wages and benefits. Capitalize for Kids provides marketing and fund raising support to the Foundation and recovers a portion of wages and benefits for this service, the total of these amounts is \$1,818,392 (2024 - \$898,991). These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**4B.** The \$30,678 (2024: \$50,456) Bay Street Games expense represents expenses paid by Capitalize for Kids on behalf of the Foundation.

**5. ACCOUNTS RECEIVABLE**

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Accounts receivable consists of the following:

	2025	2024
	\$	\$
Impact consulting services	23,113	-
Bay Street games	5,000	-
Donations	-	2,402
	<hr/>	<hr/>
	28,113	2,402
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**6. IMPACT CONSULTING SERVICES AND DEFERRED REVENUE**

**6A.** The Foundation entered into a 3-year services agreement with East Metro Youth Services during 2019 to expand the capacity of mental health services in Toronto. Funding for the agreement in the amount of \$686,472 was received in 2019, which represents the total value of the 3-year agreement. During the year \$174,873 (2024: \$67,673) was recognized as revenue to offset expenses incurred under the project. The balance of funding is recorded in deferred revenue in the amount of \$248,043 (2024: \$422,917). Consequently, \$248,043 of the cash balance is restricted to be used only for expenses relating to the East Metro Youth Services project. East Metro Youth Services is now called Strides.

The above project is one of several projects the Foundation is undertaking under its Impact program. The program was designed to allow the Foundation to work with different mental health agencies to identify business opportunities to increase the capacity of their existing services. The Foundation partners with for profit companies to design solutions and then fund the required changes to an agency's operations.

**6B.** The Foundation received a total of \$714,018 restricted donations in the 2025 fiscal year. During the year \$130,619 was recognized as revenue to offset expenses incurred related to the restricted donations. The balance of the restricted donations is recorded in deferred revenue in the amount of \$583,998. Consequently, \$583,998 of the cash balance is restricted to be used only for expenses relating to the restricted donations.

The year-end deferred revenue consist of the following:

	2025	2024
	\$	\$
East Metro Youth Services (Strides)	248,044	422,917
Restricted donations	583,998	-
	832,042	422,917

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## 7. COMMITMENTS

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The Foundation entered into a 2-year agreement with Matlby Centre on February 28, 2025 to support the implementation of a Measurement-Based Care platform to enhance the quality of care and improve mental health outcomes for children and youth. The Foundation has paid \$37,968 in January 2026.

The Foundation entered into a contract with Blackbaud Inc on February 12, 2025 for subscription services and set up services for Raiser's Edge NXT totaling \$59,743. The Foundation has committed to pay \$19,914 in the fiscal year of 2026 and \$19,914 in the fiscal year of 2027.

The Foundation entered into a agreement with FIREFLY - Physical, Emotional, Development and Community Services on February 12, 2026 to fund the implementation of Measurement-Based Care (MBC) technologies and participation in the MBC Accelerator Project (MAP). The Foundation has committed to pay \$29,400 on April 1, 2026.

## 8. FINANCIAL INSTRUMENTS

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

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation's credit risk would occur with their accounts receivable and due from Capitalize for Kids. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$nil (2024: \$nil).

### **Liquidity Risk**

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation is exposed to this risk as it depends on donations for its operations. In order to reduce its liquidity risk, the Foundation seeks to continue to receive donations on an annual basis, manage its cash flow, and set aside funds to fulfill its obligations.

## 8. FINANCIAL INSTRUMENTS (continued)

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### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign currency risk with respect to its cash denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar. In 2025, the Canadian dollar equivalent of cash balance denominated in US dollars was \$383,348 (2024: \$395,646).

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's investments are not subject to interest rate risk in respect of fluctuating interest rates as the majority of their investments are mutual funds. There is a moderate risk of market value adjustments on these investments which may result in cash flow risk. The Foundation actively manages the risk by maintaining a balanced investment portfolio.

### **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 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 has some exposure to this risk in its investment portfolio.