

The National Sixties Scoop Healing Foundation of Canada
Financial Statements
For the year ended December 31, 2025

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Independent Auditor's Report

To the Board of Directors of The National Sixties Scoop Healing Foundation of Canada

Opinion

We have audited the financial statements of The National Sixties Scoop Healing Foundation of Canada (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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 the Foundation as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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.

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.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 24, 2026

The National Sixties Scoop Healing Foundation of Canada

Statement of Financial Position

December 31	2025	2024
Assets		
Current		
Cash	\$ 89,713	\$ 20,958
Other receivable (Note 7)	5,668,452	-
HST receivable	7,831	16,841
Prepaid expenses	30,779	39,055
Investments (Note 2a)	49,373,152	49,422,590
	55,169,927	49,499,444
Equipment (Note 3)	5,437	255
	\$ 55,175,364	\$ 49,499,699
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 40,197	\$ 100,921
Net assets		
Unrestricted	55,135,167	49,398,778
	\$ 55,175,364	\$ 49,499,699

On behalf of the Board:

_____ Director

_____ Director

The National Sixties Scoop Healing Foundation of Canada

Statement of Operations

For the year ended December 31	2025	2024
Revenue		
Investment income (Note 2b)	\$ 3,950,746	\$ 5,463,083
Other income (Note 7)	5,668,452	-
	<u>9,619,198</u>	<u>5,463,083</u>
Expenses		
Amortization	2,160	311
Grants	2,480,048	2,892,365
Occupancy	101,460	64,524
Office and administrative	210,063	129,920
Professional fees and consulting (Note 5)	279,103	227,466
Salaries and wages	802,648	703,122
Telephone	7,327	6,029
	<u>3,882,809</u>	<u>4,023,737</u>
Excess of revenue over expenses for the year	<u>\$ 5,736,389</u>	<u>\$ 1,439,346</u>

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

The National Sixties Scoop Healing Foundation of Canada Statement of Changes in Net Assets

For the year ended December 31	2025	2024
Net assets, beginning of the year	\$ 49,398,778	\$ 47,959,432
Excess of revenue over expenses for the year	<u>5,736,389</u>	<u>1,439,346</u>
Net assets, end of the year	<u>\$ 55,135,167</u>	<u>\$ 49,398,778</u>

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

The National Sixties Scoop Healing Foundation of Canada Statement of Cash Flows

For the year ended December 31	2025	2024
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 5,736,389	\$ 1,439,346
Adjustments to reconcile excess of revenue over expenses to net cash from operating activities		
Amortization	2,160	311
Unrealized gain on investments	1,310,935	2,496,779
Changes in non-cash working capital:		
Other receivable	(5,668,452)	-
HST receivable	9,010	(2,721)
Prepaid expenses	8,276	(29,529)
Accounts payable and accrued liabilities	(60,724)	68,643
	<u>1,337,594</u>	<u>3,972,829</u>
Investing activities		
Purchase of investments	(20,756,299)	(10,159,988)
Proceeds from redemption of investments	19,494,802	6,077,064
Purchase of equipment	(7,342)	-
	<u>(1,268,839)</u>	<u>(4,082,924)</u>
Increase (decrease) in cash during the year	68,755	(110,095)
Cash, beginning of the year	20,958	131,053
Cash, end of the year	\$ 89,713	\$ 20,958

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

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies

Nature and Purpose of Organization

The National Sixties Scoop Healing Foundation of Canada's (the "Foundation") mandate is:

- 1) To enable change and reconciliation between Indigenous and non-Indigenous people in Canada and, in particular, to heal the impact of the "Sixties Scoop" on Indigenous peoples in Canada by:
 - a) Promoting and implementing programs and services to effect reconciliation between Indigenous peoples and non-Indigenous people and, in particular, with respect to the survivors of the Sixties Scoop, their families, lineages and communities;
 - b) Providing healing and wellness programs and services to survivors of the Sixties Scoop, their families, lineages and communities;
 - c) Commemorating the suffering and impact of the Sixties Scoop on survivors, their families, lineages, and communities;
 - d) Undertaking educational programs, including research and scholarships concerning the Sixties Scoop and its impact on Indigenous people in Canada.
- 2) To receive or maintain a fund or funds and to apply all or part of the principal and income therefrom for these purposes and/or to registered charities under the Income Tax Act (Canada) to further these purposes.

The Foundation was incorporated on May 3, 2018 under the Canada Not-for-profit Corporations Act. The Foundation is designated as a charitable organization without share capital and is exempt from income tax under Section 149(1)(f) of the Income Tax Act (Canada).

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

Revenue Recognition The Foundation follows the deferral method of accounting for contributions, including government contributions and donations.

Restricted contributions are recognized as revenue when the related expenses are incurred and unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income (loss) includes interest and realized and unrealized investment gains and losses. Unrealized gains and losses on financial assets are recognized in the statement of operations.

Donated Services The Foundation benefits from the voluntary services of members and volunteers. Since these services are not normally purchased by the Foundation and because of the difficulty of determining their fair value, these donated services are not recognized in these financial statements.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are reported at fair value and all other financial instruments are reported at cost or amortized cost less impairment, if applicable.

Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Equipment Equipment is stated at cost less accumulated amortization. Amortization, based on the estimated useful life of the asset, is calculated as follows:

	Method	Rate
Computer equipment	Declining balance	20%

Foreign Currency Transactions in foreign currencies are initially recorded at the foreign exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the functional currency spot rate as at the reporting date. Foreign exchange differences arising on translation are recognized in the statement of operations.

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2025

2. Investments

a) Investments are comprised of the following:

	2025	2024
Cash	\$ 178,840	\$ 321,465
Money market mutual funds	1,810,500	2,800,789
Fixed income	17,208,584	16,794,873
Equities	30,175,228	29,505,463
	\$ 49,373,152	\$ 49,422,590

b) Investment income is as follows:

	2025	2024
Interest	\$ 106,638	\$ 652,136
Dividends	533,575	869,013
Realized gain on investments	1,221,913	821,139
Unrealized gain	1,310,935	2,496,779
Other fund income	1,054,710	875,562
Less: brokerage fees	(277,025)	(251,546)
	\$ 3,950,746	\$ 5,463,083

3. Equipment

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 8,562	\$ 3,125	\$ 1,220	\$ 965
		\$ 5,437		\$ 255

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2025

4. Financial Instrument Risks

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. The Foundation is exposed to market risk with respect to its investments. The values of these investments will fluctuate as a result of changes in market prices or other factors affecting the values of the investments. This risk has not changed since the prior year.

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 is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments. This risk has not changed since the prior year.

Foreign Currency Rate Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in currency rates. The Foundation is exposed to currency risk through its US dollar investments, which earn investment income and incur costs in US dollars. Investments held in US dollars are \$7,435,088 (2024 - \$7,371,949).

5. Related Party Transactions

A member of the Board of Directors provided \$Nil (2024 - \$9,105) of consulting services to the Foundation in the capacity of an external consultant prior to leaving the Board in the prior year. The services were in the normal course of business and were measured at the exchange amount, and were recorded in professional fees and consulting on the Statement of Operations.

6. Commitments

The Foundation has entered into a lease for office space. The minimum annual lease payments for the next two fiscal years are as follows:

2026	\$	54,216
2027		<u>36,144</u>
	\$	<u>90,360</u>

The National Sixties Scoop Healing Foundation of Canada

Notes to Financial Statements

December 31, 2025

7. Subsequent Event

Pursuant to the Sixties Scoop Settlement Agreement dated November 2017, the Administrator is required to hold settlement funds in an interest-bearing account. Any interest earned is held in trust for the Foundation and, upon completion of payments to all Eligible Class Members, the remaining interest is to be remitted to the Foundation. Subsequent to year end, the interest held in trust was reconciled, and the Foundation received cash proceeds of \$5,716,562 on March 18, 2026, representing interest earned on the settlement funds for the period up to February 2026. As at year end, interest income of \$5,668,452 had been earned on the outstanding principal and was held in trust by the Administrator.