

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Financial Statements

December 31, 2025

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Financial Statements

For the Year Ended December 31, 2025

| Table of Contents | PAGE |
|------------------------------------|-------------|
| Independent Auditors' Report | 1 - 2 |
| Statement of Financial Position | 3 |
| Statement of Changes in Net Assets | 4 |
| Statement of Operations | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7 - 12 |



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Childcan The Childhood Cancer Research Association** :

Qualified Opinion

We have audited the financial statements of **Childcan The Childhood Cancer Research Association** , which comprise the statement of financial position as at December 31, 2025, and the statement of operations, statement of changes in net assets and statement of 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 effects of the matter described in the Basis for Qualified Opinion paragraph, the organization's financial statements present fairly, in all material respects, the financial position of the organization 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 charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions and donations, revenues over expenditures, and cash flows for the year ending December 31, 2025 and year ending December 31, 2024, current assets as at December 31, 2025 and December 31, 2024, and fund balances as at January 1, 2025 and December 31, 2025 for the 2025 year ended, as well as January 1, 2024 and December 31, 2024, for the 2024 year ended.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 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 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.

Auditors' 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 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.

St. Thomas, Ontario
April 21, 2026

Graham Scott Enns LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Statement of Financial Position As at December 31, 2025

| | Operating Fund \$ | Internally Restricted | | 2025 \$ | 2024 \$ |
|--|-------------------------|------------------------|-----------------------|------------------|------------------|
| | | Research Fund \$ | Bursary Fund \$ | | |
| <u>ASSETS</u> | | | | | |
| CURRENT ASSETS | | | | | |
| Cash | 517,892 | - | - | 517,892 | 857,809 |
| Short-term investments (Note 3) | 493,324 | - | - | 493,324 | - |
| Accounts receivable | 19,894 | - | - | 19,894 | 20,970 |
| Government remittances receivable | 23,979 | - | - | 23,979 | 21,395 |
| Prepaid expenses | 6,145 | - | - | 6,145 | 7,817 |
| Interfund (payables) receivables | <u>(6,648)</u> | <u>-</u> | <u>6,648</u> | <u>-</u> | <u>-</u> |
| | 1,054,586 | - | 6,648 | 1,061,234 | 907,991 |
| TANGIBLE CAPITAL ASSETS (NOTE 2) | <u>204,886</u> | <u>-</u> | <u>-</u> | <u>204,886</u> | <u>214,129</u> |
| TOTAL ASSETS | <u>1,259,472</u> | <u>-</u> | <u>6,648</u> | <u>1,266,120</u> | <u>1,122,120</u> |
| <u>LIABILITIES</u> | | | | | |
| CURRENT LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | 52,883 | - | - | 52,883 | 34,158 |
| Deferred revenue (Note 4) | <u>4,100</u> | <u>-</u> | <u>-</u> | <u>4,100</u> | <u>3,706</u> |
| TOTAL LIABILITIES | <u>56,983</u> | <u>-</u> | <u>-</u> | <u>56,983</u> | <u>37,864</u> |
| <u>NET ASSETS</u> | | | | | |
| NET ASSETS | <u>1,202,489</u> | <u>-</u> | <u>6,648</u> | <u>1,209,137</u> | <u>1,084,256</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>1,259,472</u> | <u>-</u> | <u>6,648</u> | <u>1,266,120</u> | <u>1,122,120</u> |

On Behalf of the Board

DocuSigned by:

Elaine Trzagalowis

Director 565516F8C4CD...

Signed by:

Susan Marshall

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See accompanying notes to the financial statements

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

**Statement of Changes in Net Assets
For the Year Ended December 31, 2025**

| | Operating Fund \$ | Internally Restricted (Note 7) | | 2025 \$ | 2024 \$ |
|---|-------------------------|-----------------------------------|-----------------------|-------------------------|-------------------------|
| | | Research Fund \$ | Bursary Fund \$ | | |
| NET ASSETS, BEGINNING OF YEAR | 1,084,256 | - | - | 1,084,256 | 1,046,573 |
| Excess (deficiency) of revenues over expenditures | 138,233 | (20,000) | 6,648 | 124,881 | 37,683 |
| Interfund transfers (Note 9)) | <u>(20,000)</u> | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET ASSETS, END OF YEAR | <u><u>1,202,489</u></u> | <u><u>-</u></u> | <u><u>6,648</u></u> | <u><u>1,209,137</u></u> | <u><u>1,084,256</u></u> |

See accompanying notes to the financial statements

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Statement of Operations For the Year Ended December 31, 2025

| | Operating Fund \$ | Internally Restricted | | 2025 \$ | 2024 \$ |
|--|-------------------------|------------------------|-----------------------|-------------------------|------------------|
| | | Research Fund \$ | Bursary Fund \$ | | |
| REVENUES | | | | | |
| Donations | 348,000 | - | 23,648 | 371,648 | 246,240 |
| Third party events | 340,813 | - | - | 340,813 | 306,438 |
| Signature events | 271,491 | - | - | 271,491 | 329,811 |
| Grants | 77,430 | - | - | 77,430 | 101,549 |
| Research | - | 35,000 | - | 35,000 | - |
| Tribute donations | 12,354 | - | - | 12,354 | 11,483 |
| Investment income | 1,488 | - | - | 1,488 | 11,464 |
| Miscellaneous income | 120 | - | - | 120 | 800 |
| | <u>1,051,696</u> | <u>35,000</u> | <u>23,648</u> | <u>1,110,344</u> | <u>1,007,785</u> |
| EXPENDITURES | | | | | |
| Wages and benefits | 437,699 | - | - | 437,699 | 419,737 |
| Family financial support | 241,741 | - | - | 241,741 | 226,237 |
| Research (Note 5) | - | 55,000 | - | 55,000 | 75,000 |
| Fundraising | 38,939 | - | - | 38,939 | 58,497 |
| Occupancy costs | 32,972 | - | - | 32,972 | 22,786 |
| Social support | 30,475 | - | - | 30,475 | 18,309 |
| Educational support (Note 6) | 3,052 | - | 17,000 | 20,052 | 17,715 |
| Office supplies | 18,961 | - | - | 18,961 | 21,263 |
| Bank charges and merchant fees | 17,360 | - | - | 17,360 | 12,659 |
| Accounting fees | 17,173 | - | - | 17,173 | 12,909 |
| Telecommunications | 16,333 | - | - | 16,333 | 14,023 |
| Emotional support | 15,082 | - | - | 15,082 | 17,200 |
| Administration | 12,303 | - | - | 12,303 | 15,380 |
| Advertising and marketing | 10,143 | - | - | 10,143 | 14,864 |
| Amortization | 9,243 | - | - | 9,243 | 10,194 |
| Insurance | 7,370 | - | - | 7,370 | 6,691 |
| Travel | 4,617 | - | - | 4,617 | 6,638 |
| | <u>913,463</u> | <u>55,000</u> | <u>17,000</u> | <u>985,463</u> | <u>970,102</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>138,233</u> | <u>(20,000)</u> | <u>6,648</u> | <u>124,881</u> | <u>37,683</u> |

See accompanying notes to the financial statements

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Statement of Cash Flows For the Year Ended December 31, 2025

| | 2025 | 2024 |
|---|------------------|-----------------|
| | <u>\$</u> | <u>\$</u> |
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | |
| Excess of revenues over expenditures | <u>124,881</u> | <u>37,683</u> |
| Adjustments for non-cash items: | | |
| Amortization of tangible capital assets | 9,243 | 10,194 |
| Investment income | <u>6,676</u> | <u>-</u> |
| | <u>140,800</u> | <u>47,877</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 1,076 | (9,291) |
| Government remittances recoverable | (2,584) | 450 |
| Prepaid expenses | 1,673 | 3,207 |
| Accounts payable and accrued liabilities | 18,724 | (23,496) |
| Deferred revenue | <u>394</u> | <u>(36,574)</u> |
| | <u>19,283</u> | <u>(65,704)</u> |
| Cash flows from (used in) operating activities | <u>160,083</u> | <u>(17,827)</u> |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Purchase of tangible capital assets | <u>-</u> | <u>(2,184)</u> |
| Cash flows used in investing activities | <u>-</u> | <u>(2,184)</u> |
| CASH FLOWS USED IN FINANCING ACTIVITIES | | |
| NET CHANGE IN CASH | 160,083 | (20,011) |
| CASH, BEGINNING OF YEAR | <u>857,809</u> | <u>877,820</u> |
| CASH, END OF YEAR | <u>1,017,892</u> | <u>857,809</u> |

See accompanying notes to the financial statements

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2025

NATURE OF THE ORGANIZATION

Childcan, The Childhood Cancer Research Association ("the organization") is a not-for-profit organization that is incorporated without share capital by Letters Patent under the Ontario Corporations Act and is thereby exempt from income tax under paragraph 149(1)(l) of the Income Tax Act, Canada. The organization raises funds to search for cures for childhood cancers as well as to provide responsive and compassionate support services to families facing the journey through childhood cancer - from diagnosis, treatment, recovery or bereavement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Accounting Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Specific management estimates are made with respect to the useful lives of capital assets, amortization methods and rates, deferred revenues, non-monetary transactions and allowance for doubtful accounts. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in excess of revenues over expenditures in the period in which they become known.

Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization are removed from the accounts, and any gain or loss is recognized in excess of revenues over expenditures. Amortization is calculated on the declining balance method over the estimated useful lives of the assets at the following annual rates, with the one-half of the rate in the year of acquisition

| | |
|-------------------------|-----|
| Building | 4% |
| Furniture and equipment | 20% |
| Office equipment | 30% |

Contributed Services

Volunteers contribute an indeterminable number of hours-per-year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Donations in-kind are only recognized when the fair value is determinable.

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. The organization uses fund accounting principles in order to ensure observance of the limitations and restrictions placed on the use of resources available to the organization. Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified by donors and other funders, or in accordance with the directives issued by the Board of Directors. Transfers between funds are made when it is considered appropriate and authorized by the Board of Directors. The organization uses the following fund groups:

Operating Fund

The Operating Fund records all revenues and expenditures related to the organization's ongoing program delivery, awareness initiatives, fundraising activities, administrative functions, and general operational activities.

Research Fund

The Research Fund is designated to support research initiatives and projects. Allocations from this fund are made at the discretion of the Board of Directors in accordance with established organizational priorities.

Bursary Fund

The Bursary Fund is designated to provide educational bursaries to eligible recipients. Disbursements from this fund are authorized at the discretion of the Board of Directors and are subject to applicable program criteria.

Revenue Recognition

The organization follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the appropriate fund in the year in which they are received. 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.

Specifically, the organization recognizes:

- Event revenues are recognized in the period in which the event occurred.
- Donation revenues are recognized when received.
- Grants are recognized in the period in which related expenses are incurred.
- Investment income, including interest is recognized when earned.
- Merchandise revenues are recognized when the product is delivered.

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and short term investments which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

2. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated Amortization | 2025 | 2024 |
|-------------------------|----------------|-----------------------------|-----------------------|----------------|
| | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Land | 43,640 | - | 43,640 | 43,640 |
| Building | 253,843 | 99,676 | 154,167 | 160,591 |
| Furniture and equipment | 17,935 | 16,725 | 1,210 | 1,513 |
| Office equipment | <u>43,555</u> | <u>37,686</u> | <u>5,869</u> | <u>8,385</u> |
| | <u>358,973</u> | <u>154,087</u> | <u>204,886</u> | <u>214,129</u> |

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2025

3 SHORT- TERM INVESTMENTS

| | Cost 2025 <u>\$</u> | Market Value 2025 <u>\$</u> | Cost 2024 <u>\$</u> | Market Value 2024 <u>\$</u> |
|----------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|
| Cash and cash equivalents | 17,339 | 17,338 | - | - |
| Fixed income - Canadian (Note A) | 99,320 | 99,051 | - | - |
| Fixed income - Foreign (Note B) | 98,458 | 96,635 | - | - |
| Common stock - Canadian | 64,757 | 66,000 | - | - |
| Common stock - Foreign | 143,777 | 139,313 | - | - |
| Mutual funds - Canadian | 20,000 | 20,000 | - | - |
| Other - Foreign | <u>56,276</u> | <u>54,987</u> | <u>-</u> | <u>-</u> |
| | <u><u>499,927</u></u> | <u><u>493,324</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

Note A - Interest between 0.250% and 1.500%, mature dates range between March 1, 2026 and September 1, 2031

Note B - Interest between 0.375% and 1.250%, mature dates range between January 1, 2026 and August 15, 2031.

4. DEFERRED REVENUE

| | 2025 <u>\$</u> | 2024 <u>\$</u> |
|--------------------------------------|---------------------|---------------------|
| Sponsorship for Polar Bear Dip 2026 | 4,000 | - |
| Toby's Carnival 2026 | 100 | - |
| Sponsorships for Childcan Rocks 2025 | <u>-</u> | <u>3,706</u> |
| | <u><u>4,100</u></u> | <u><u>3,706</u></u> |

5. COMMITMENT

The organization has committed to providing an additional \$70,000 of funding for research support in 2026.

6. EDUCATIONAL SUPPORT

There were 17 bursaries awarded in 2025 (2024 - 16) for \$1,000 each.

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2025

7. CHANGE IN ACCOUNTING POLICY - FUND ACCOUNTING

During the year ended December 31, 2025 the board approved a change in its accounting policy with respect to the presentation of fund accounting and revenue recognition. Previously, the organization accounts were maintained using the deferral method of accounting. The organization has changed its policy to maintain accounts using fund accounting and restricted fund method of accounting for contribution. This was done in order to better reflect the nature and purpose of the resources and to improve financial statement transparency and accountability. This change has been applied retrospectively in accordance with Accounting Standards for Not-for-Profit Organizations. However, no restatement of comparative figures was required as the funds had a Nil balance as at January 1, 2025. There was no opening deferred funds that would have been recognized under the new policy.

8. FINANCIAL INSTRUMENTS AND RISKS

Risks and Concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the Statement of Financial Position date.

Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. It is management's opinion that the organization does not have a significant exposure to liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to this risk mainly in respect of its accounts receivable. It is management's opinion that the organization is not exposed to significant credit risk.

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 risk: currency risk, interest rate risk and other price risk.

CHILDCAN THE CHILDHOOD CANCER RESEARCH ASSOCIATION

Notes to the Financial Statements For the Year Ended December 31, 2025

8. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Foreign Currency Risk

The organization's investments include stocks and mutual funds which are invested outside of Canada. Investment income is generated from these funds. The risk from foreign currency fluctuations is mitigated through the implementation of an investment policy.

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 is exposed to interest rate risk on its fixed rate financial instruments. Given the current composition of short term investments, fixed-rate instruments subject the organization to a fair value risk. It is management's opinion that this is not considered a significant risk.

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 is exposed to other price risk through its investments in quoted shares.

No financial liabilities of the organization were in default during the period.

The organization was not subject to any covenants during the period.

9. INTERFUND TRANSFER

During the year the Board approved a transfer of \$20,000 from the Operating Fund to the Research Fund at December 31, 2025. This transfer was approved to assist the research fund in providing the committed research in the current year.