

LIFTED LITERACY AND LEADERSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2025

HILBORN^{LLP}



Independent Auditor's Report

To the Members of LiftED Literacy and Leadership

Opinion

We have audited the financial statements of LiftED Literacy and Leadership ("LiftED"), 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 LiftED 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.

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 LiftED 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.

Other Matter

The financial statements for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those financial statements on April 22, 2025.

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 ability of LiftED 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 LiftED or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of LiftED.

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 the financial statements.



Independent Auditor's Report (continued)

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 internal control of LiftED.
- 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 ability of LiftED 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 LiftED 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink that reads "Hilborn LLP".

Toronto, Ontario
April 24, 2026

Chartered Professional Accountants
Licensed Public Accountants

LIFTED LITERACY AND LEADERSHIP

Statement of Financial Position

December 31	2025 \$	2024 \$
ASSETS		
Current assets		
Cash and cash equivalents	1,109,782	1,472,662
Marketable securities (note 2)	-	10,137
Accounts receivable	3,500	33,432
Sales tax recoverable	13,258	18,070
Prepaid expenses	-	238
	1,126,540	1,534,539
	1,126,540	1,534,539
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	28,536	24,885
Deferred contributions (note 4)	530,763	935,136
	559,299	960,021
	559,299	960,021
NET ASSETS		
Unrestricted	567,241	574,518
	567,241	574,518
	1,126,540	1,534,539

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board of LiftED Literacy and Leadership:

Danielle Cerisano

Danielle Cerisano, Board Chair

Renaldo Ferreira

Renaldo Ferreira, Co-Treasurer

LIFTED LITERACY AND LEADERSHIP

Statement of Operations and Changes in Net Assets

Year ended December 31	2025	2024
	\$	\$
Revenue		
Donations	1,088,295	1,160,057
Fundraising events and sponsorship	424,166	455,851
Federal government funding	14,010	20,158
Investment income and other	10,985	44,144
	1,537,456	1,680,210
Deduct fundraising activities and special events expenses (note 5)	(133,458)	(209,529)
Net revenue	1,403,998	1,470,681
Expenses		
Program support funding (note 5)	1,184,238	1,155,112
Office and general (note 5)	207,404	209,207
Foreign exchange loss (gain)	19,633	(6,735)
	1,411,275	1,357,584
Excess of revenue over expenses (expenses over revenue) for the year	(7,277)	113,097
Net assets, beginning of year	574,518	461,421
Net assets, end of year	567,241	574,518

The accompanying notes are an integral part of these financial statements

LIFTED LITERACY AND LEADERSHIP

Statement of Cash Flows

Year ended December 31	2025 \$	2024 \$
Net cash provided by (used in)		
Operations		
Excess of revenue over expenses (expenses over revenue) for the year	(7,277)	113,097
Items not affecting cash:		
Unrealized and realized gain (loss) on investments	(155)	248
Donated securities	(17,597)	-
	(25,029)	113,345
Change in non-cash working capital items		
Accounts receivable	29,932	(20,476)
HST rebate recoverable	4,812	4,535
Prepaid expenses	238	2,620
Accounts payable and accrued liabilities	3,651	6,283
Deferred contributions	(404,373)	28,071
	(390,769)	134,378
Investing		
Purchase of marketable securities	-	(10,472)
Proceeds of sale of marketable securities	27,889	12,935
	27,889	2,463
Change in cash and cash equivalents during the year	(362,880)	136,841
Cash and cash equivalents, beginning of year	1,472,662	1,335,821
Cash and cash equivalents, end of year	1,109,782	1,472,662
Cash and cash equivalents is represented by:		
Cash	727,520	1,069,718
Money market mutual funds	382,262	402,944
	1,109,782	1,472,662

The accompanying notes are an integral part of these financial statements

LIFTED LITERACY AND LEADERSHIP

Notes to Financial Statements

December 31, 2025

Nature of operations

LiftED Literacy and Leadership (LiftED) is incorporated without share capital in the Province of Ontario. LiftED is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

LiftED was established in Toronto in 1992 as Stephen Leacock Foundation for Children and the organization's name was changed to Lifted Literacy and Leadership on October 8, 2024.

LiftED's vision is for students in underserved Toronto communities thrive with expanded opportunities to learn and explore their full potential. LiftED's mission is to boost the confidence of students aged 5-17 in underserved Toronto communities by providing free, out-of-school literacy and leadership programs where students learn new skills in a safe and engaging environment.

1. Significant accounting policies

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

(a) Foreign currency translation

The monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange at the statement of financial position date. Revenues and expenses are translated at the average exchange rate prevailing during the year. Exchange gains or losses are included in the statement of operations.

(b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less from the date of purchase and money market mutual funds.

(c) Capital assets

Purchased capital assets over \$5,000 are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution.

Expenditures for repairs and maintenance are expensed as incurred.

LIFTED LITERACY AND LEADERSHIP

Notes to Financial Statements (continued)

December 31, 2025

1. Significant accounting policies (continued)

(d) Revenue recognition

LiftED follows the deferral method of revenue recognition for restricted contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions.

Unrestricted contributions, including donations and amounts received from fundraising, are recorded when received. Fundraising events and sponsorship revenue is recognized in the period in which the event is held.

Federal government funding is recognized as revenue when the related expenses are incurred or when there is reasonable assurance that LiftED has complied or will comply with all conditions of the funding and collection is reasonably assured.

Investment income comprises interest and realized gains from donated securities. Interest income is recognized as revenue when earned. Realized gains are recognized when the securities are sold.

(e) Measurement of financial instruments

LiftED initially measures its financial assets and liabilities as fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. LiftED subsequently measures all its financial assets and liabilities at amortized cost, except for marketable securities that are quoted in an active market. Changes in fair value are recognized in net income. 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. Financial assets measured at fair market value include marketable securities.

Financial assets measured at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indication of impairment LiftED determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and recognizes an impairment loss if the carrying value of the asset is greater than the higher of present value of the expected future cash flows, the amount that can be realized by selling the asset or the amount LiftED expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial carrying value.

(f) Allocation of expenses

Personnel expenses are allocated to various activities based on the proportional hours spent on each.

LIFTED LITERACY AND LEADERSHIP

Notes to Financial Statements (continued)

December 31, 2025

1. Significant accounting policies (continued)

(g) Contributed goods and services

Donated goods and services are not recorded in the accounts of LiftED, except when fair value of such goods can reasonably be estimated and when the goods and services are normally purchased by LiftED and would be paid for if not donated.

Volunteers contribute significant amounts of time to assist LiftED in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(h) Management estimates

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the financial statements and the reported amounts of revenue and expenses during the year.

Actual results could differ from these and other estimates, the impact of which would be recorded in future affected periods.

2. Marketable securities

Marketable securities

	2025 \$	2024 \$
Canadian equities	-	5,071
US equities	-	5,066
	-	10,137

3. Donations in-kind

Included in contributions is an amount of \$35,093 (2024 - \$75,293) for donations in-kind consisting of donated items for the Debate, marketable securities and website services.

LIFTED LITERACY AND LEADERSHIP

Notes to Financial Statements (continued)

December 31, 2025

4. Deferred contributions

Deferred contributions consist of:

	2025	2024
	\$	\$
Anonymous - 2025	-	399,660
Anonymous - 2026	288,016	430,476
Catherine and Maxwell Meighen Foundation	20,000	-
CIBC	25,000	25,000
CN	-	5,000
George H. Stedman Estate Foundation	15,000	-
Hodgson Foundation	25,000	20,000
J.P. Bickell Foundation	10,000	-
Lewitt Family Foundation	30,000	20,000
Nicola Wealth	39,798	-
OpenRoad Foundation	25,000	-
RBC	15,000	-
R.H. Howard Webster	-	5,000
ScotiaRise	15,000	-
TD Bank	-	25,000
The Actuarial Foundation of Canada	7,949	5,000
Tippet Foundation	15,000	-
	530,763	935,136

Continuity of deferred contributions for the year are as follows:

	2025	2024
	\$	\$
Deferred contributions, beginning of year	935,136	907,065
Restricted contributions received	478,069	423,765
Less restricted contributions recognized as revenue	(882,442)	(395,694)
	530,763	935,136

5. Allocation of personnel costs

During the year, personnel costs were allocated to the following activities:

	2025	2024
	\$	\$
Program support funding	466,804	472,960
Office and general	76,158	72,673
Fundraising activities and special events	33,526	48,963
	576,488	594,596

LIFTED LITERACY AND LEADERSHIP

Notes to Financial Statements (continued)

December 31, 2025

6. Related party transactions

LiftED receives donations from members of the Board of Directors and related entities in the normal course of operations. Total donations for the year were \$113,859 (2024 - \$115,820).

7. Financial instruments

LiftED is exposed to various risks through its financial instruments. The following analysis provides a measure of LiftED's risk exposure at December 31, 2025.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to meet its obligations. LiftED does not have significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that LiftED will encounter difficulty in meeting obligations associated with its financial liabilities. LiftED is exposed to liquidity risk arising primarily from its accounts payable and accrued liabilities. LiftED expects to meet obligations as they come due by generating sufficient cash flow from operations.

Market price risk

Market price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to individual financial issuer, or factors affecting all similar financial instruments traded in the market. LiftED is exposed to market price risk on its marketable securities quoted in an active market since changes in market prices could result in changes in the fair value.

Currency risks

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. LiftED is exposed to foreign currency fluctuations related to financial commitments (in South African Rand) made to programs it supports in South Africa. LiftED does not hedge any financial instruments to mitigate foreign currency risk. As at December 31, 2025, cash and cash equivalents totalling \$411,157 (2024 - \$430,476) are denominated in US dollars and converted into Canadian dollars. LiftED does not have significant exposure to currency risk.

Change in risks

There have been no changes in LiftED's risk exposures from the prior year, except for a reduced credit risk exposure in accounts receivable.

