The Citizens' Foundation, Canada

Financial statements
December 31, 2025

Shape the future
with confidence

Independent auditor's report

To the Members of
The Citizens' Foundation, Canada

Opinion

We have audited the financial statements of **The Citizens' Foundation, Canada** [the "Foundation"], which comprise the balance sheet as at December 31, 2025, and the statement of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of 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 the financial statements in accordance with Canadian generally accepted 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 financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation's 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.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 16, 2026

The Citizens' Foundation, Canada

Balance sheet

As at December 31

	2025	2024
	$	$
Assets		
Current		
Cash	**764,954**	66,543
Prepaid expenses and accounts receivable	**461,078**	188,535
Harmonized sales tax receivable	**27,901**	21,334
Total current assets	**1,253,933**	276,412
Investments *[note 3]*	**45,262**	619,304
	1,299,195	895,716
Liabilities and net assets (deficiency)		
Current		
Accounts payable and accrued liabilities	**48,911**	46,359
Deferred contributions	**406,834**	347,518
Total current liabilities	**455,745**	393,877
Commitments *[note 4]*		
Net assets		
Unrestricted	**843,450**	501,839
	1,299,195	895,716

See accompanying notes

On behalf of the Board:

Mansoor Naqi — Director — 06/16/2026 — Mansoor Naqi

Sahar Gaya — Director — 06/16/2026 — Sahar Gaya

The Citizens’ Foundation, Canada

Statement of operations and changes in net assets

Year ended December 31

	2025	2024
	$	$
Revenue		
Donations	**4,796,738**	3,319,515
Event tickets, sponsorships and other	**1,213,833**	902,469
Grants	**344,633**	282,983
Investment gain (loss)	**17,836**	63,266
Unrealized foreign exchange gain (loss)	**(352)**	10,667
Other income	**53**	—
	6,372,741	4,578,900
Education support		
Education program *[note 1]*	**5,132,112**	4,275,396
Scolarship and bursary program	**57,000**	61,500
	5,189,112	4,336,896
Operating expenses		
Fundraising		
Event organizing	**226,885**	255,825
Donation processing charges	**81,805**	63,090
	308,690	318,915
Administrative		
Consulting fees	**11,037**	26,233
Administrative and other	**69,103**	65,649
Audit and accounting fees	**27,172**	23,647
Salaries and benefits	**376,687**	213,024
Rent	**15,302**	14,521
Travel	**16,019**	4,054
Insurance	**14,686**	6,754
Bank charges	**3,322**	1,785
	533,328	355,667
	6,031,130	5,011,478
Excess (deficiency) of revenue over expenses for the year	**341,611**	(432,578)
Net assets, beginning of year	**501,839**	934,416
Net assets, end of year	**843,450**	501,839

See accompanying notes

The Citizens' Foundation, Canada

Statement of cash flows

Year ended December 31

	2025	2024
	$	$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	**341,611**	(432,578)
Changes in non-cash working capital balances related to operations		
Prepaid expenses and accounts receivables	**(272,543)**	251,453
Harmonized sales tax receivable	**(6,567)**	20,388
Accounts payable and accrued liabilities	**2,552**	19,339
Deferred contributions	**59,316**	(98,185)
Cash provided by (used in) operating activities	**124,369**	(239,583)
Investing activities		
Purchase of investments	**(45,262)**	(619,304)
Proceeds from sale of investments	**619,304**	534,462
Cash provided by (used in) investing activities	**574,042**	(84,842)
Net increase (decrease) in cash during the year	**698,411**	(324,425)
Cash, beginning of year	**66,543**	390,967
Cash, end of year	**764,954**	66,543

See accompanying notes

Notes to financial statements

December 31, 2025

1. Nature of operations

The Citizens' Foundation, Canada [the "Foundation"] was incorporated in Canada without share capital under the *Canada Corporations Act* and was continued under the *Canada Not-for-profit Corporations Act* in May 2014. It is a registered charity under the provisions of Section 149(1) of the *Income Tax Act* (Canada) and, as such, is exempt from income taxes.

The Foundation is principally engaged in establishing schools to promote education. The Foundation receives funds from all cross-sections of society for the building of primary and secondary schools, as well as for operating them. These donations are made by organizations, institutions and individuals.

The Foundation signed an agency agreement with The Citizens' Foundation, Pakistan ["TCFP"] on January 20, 2009. This agreement has had subsequent amendments with the latest amendment effective October 30, 2021. Under the terms of the agreement, TCFP will operate schools in Pakistan on behalf of the Foundation.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations of Part III of the *CPA Canada Handbook – Accounting.*

Revenue recognition

The Foundation follows the deferral method of accounting. 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. Externally restricted contributions are deferred when initially recorded in the accounts and recognized in the year in which the related donations are utilized.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry non-equity investments at fair value.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risk arising from financial instruments.

Contributed goods and services

Contributions of materials are recognized at fair market value only to the extent that they would normally be purchased and an official receipt for income tax purposes has been issued to the donors. Contributions of services are not recognized in these financial statements.

In-kind donation securities of $278,400 [2024 – $88,745] was received during the year and included in donations in the statement of operations and changes in net assets.

Notes to financial statements

December 31, 2025

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Although these estimates are based on management’s best knowledge of current events and actions that the Foundation may undertake in the future, actual results could differ from those estimates.

3. Investments

	2025	**2024**
	$	$
Guaranteed investment certificates, issued October 21, 2025 and maturing on November 21, 2026 with an interest rate of 2.95%	**45,262**	—
Guaranteed investment certificates, issued August 6, 2024 and matured on August 6, 2025 with an interest rate of 3.59%	**—**	608,734
Guaranteed investment certificates, issued June 5, 2024 and matured on June 5, 2025 with an interest rate of 4.71%	**—**	10,570
	45,262	619,304

4. Commitments

The Foundation operates 160 [2024 – 160] schools and directs and controls the activities of the schools through an agreement with TCFP. The Foundation is required to provide funding for the operation of the 160 schools to TCFP under the agency agreement. The Foundation has the right to withdraw or withhold funds or other resources at its discretion, should there be any deviation or variation in the proposed operation of the schools. The agency agreement will remain in force until termination by either party.

The Foundation has a contractual commitment for office lease and services that requires the following future minimum payments:

	$
2026	33,600
2027	33,600
2028	33,600

Notes to financial statements

December 31, 2025

5. Expenses

The following table provides a breakdown of expenses based on the categories as defined by the Canada Revenue Agency ["CRA"] charity information return.

	2025 $	2024 $
Charitable activities	**5,189,112**	4,336,896
Fundraising	**308,690**	300,051
Administration	**69,103**	65,649
Other	**464,225**	308,882
	6,031,130	5,011,478

6. Comparative financial information

Certain comparative figures have been reclassified from the financial statements previously presented to conform to the current year's presentation.