
Financial statements of Muscular Dystrophy Canada

March 31, 2025

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Independent Auditor's Report

To the Directors of
Muscular Dystrophy Canada

Opinion

We have audited the financial statements of Muscular Dystrophy Canada, which comprise the statement of financial position as at March 31, 2025, and the statements of revenue and expenses, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Muscular Dystrophy Canada as at March 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 ("Canadian GAAS"). 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 Muscular Dystrophy Canada 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 audit 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 Muscular Dystrophy Canada'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 Muscular Dystrophy Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Muscular Dystrophy Canada'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 GAAS 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 GAAS, 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 Muscular Dystrophy Canada'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 Muscular Dystrophy Canada'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 Muscular Dystrophy Canada 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
August 28, 2025

Muscular Dystrophy Canada
Statement of financial position
As at March 31, 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash		462,961	374,873
Restricted cash	2	131,099	312,504
Short-term investments	3	100,826	4,079
Amounts receivable		405,776	596,671
Prepaid expenses and supplies		189,940	197,167
		1,290,602	1,485,294
Long-term investments	4	6,014,349	6,477,470
Capital assets	5	15,263	29,122
		7,320,214	7,991,886
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	773,053	755,989
Purchase order commitments		207,041	540,679
Deferred revenue	7	73,742	119,338
Deferred lease inducements	17	6,234	32,048
Commitments for research grants	16	1,490,497	1,299,666
		2,550,567	2,747,720
Long-term deferred lease inducements	17	—	6,234
Long-term commitments for research grants	16	—	445,239
		—	451,473
Deferred contributions related to	6		
Neuromuscular research		298,060	247,323
Services		1,362,606	1,446,906
Education		713,258	704,093
British Columbia gaming		10,592	10,792
		2,384,516	2,409,114
		4,935,083	5,608,307
Commitments	13		
Net assets			
Net assets restricted for endowment purposes		1,274,141	1,217,136
Net assets invested in capital assets		15,263	29,122
Unrestricted net assets		1,095,727	1,137,321
		2,385,131	2,383,579
		7,320,214	7,991,886

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

Approved by the Board of Directors

 _____, Director

 _____, Director

Muscular Dystrophy Canada
Statement of revenue and expenses
Year ended March 31, 2025

	Notes	2025 \$	2024 \$
Revenue			
General campaign and donations	6 and 8	9,198,721	10,159,262
Investment income		557,448	500,450
Other revenue		212,381	251,000
		9,968,550	10,910,712
Expenses			
Fundraising	8	2,000,352	2,079,056
Fundraising operating support	9	1,692,204	1,897,756
		3,692,556	3,976,812
Volunteer support and governance		291,541	263,271
		3,984,097	4,240,083
Net funds available for programs and services		5,984,453	6,670,629
Programs and services			
Research programs	8	1,714,707	1,990,474
Services		2,306,050	2,711,581
Education and information services		1,482,372	1,355,179
Other programs	9	404,623	448,185
Services operating support	9	153,484	178,675
		6,061,236	6,684,094
Deficiency of revenue over expenses before the undernoted			
		(76,784)	(13,465)
Amortization of capital assets		(16,204)	(25,824)
Change in fair value of investments		94,540	(200,898)
Excess (deficiency) of revenue over expenses for the year		1,552	(240,187)

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

Muscular Dystrophy Canada
Statement of changes in net assets
Year ended March 31, 2025

	Notes	Restricted for endowment purposes \$	Invested in capital assets \$	Unrestricted \$	2025 Total \$
Net assets, beginning of year		1,217,136	29,122	1,137,321	2,383,579
(Deficiency) excess of revenue over expenses for the year		—	(16,204)	17,756	1,552
Invested in capital assets		—	2,345	(2,345)	—
Interfund transfer	10	57,005	—	(57,005)	—
Net assets, end of year		1,274,141	15,263	1,095,727	2,385,131
	Notes	Restricted for endowment purposes \$	Invested in capital assets \$	Unrestricted \$	2024 Total \$
Net assets, beginning of year		1,162,451	54,613	1,406,702	2,623,766
Deficiency of revenue over expenses for the year		—	(25,824)	(214,363)	(240,187)
Invested in capital assets		—	333	(333)	—
Interfund transfer	10	54,685	—	(54,685)	—
Net assets, end of year		1,217,136	29,122	1,137,321	2,383,579

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

Muscular Dystrophy Canada

Statement of cash flows

Year ended March 31, 2025

	2025	2024
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	1,552	(240,187)
Items not involving cash		
Amortization of capital assets	16,204	25,824
Change in fair value of investments - realized (gains)	(393,157)	(310,219)
Change in fair value of investments - unrealized (gains)/losses	(94,540)	200,898
	(469,941)	(323,684)
Changes in non-cash working capital		
Decrease (increase) in amounts receivable	190,895	(252,528)
Decrease in prepaid expenses and supplies	7,227	51,040
Increase (decrease) increase in accounts payable and accrued liabilities	17,063	(206,852)
Decrease in purchase order commitments	(333,638)	(86,666)
Decrease in deferred revenue	(45,596)	(91,804)
Decrease in deferred lease inducements	(32,047)	(39,194)
Decrease in commitments for research grants	(254,408)	(16,417)
Decrease in deferred contributions	(24,598)	(694,298)
	(945,043)	(1,660,403)
Investing activities		
Change in restricted cash	181,405	(78,307)
Sale of investments	854,071	1,853,541
Purchase of capital assets	(2,345)	(333)
	1,033,131	1,774,901
Increase in cash during the year	88,088	114,498
Cash, beginning of year	374,873	260,375
Cash, end of year	462,961	374,873

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

Nature of operations

Muscular Dystrophy Canada is registered as a charitable organization without share capital under the Canada Corporations Act. As such, Muscular Dystrophy Canada is not liable for any federal or provincial income taxes under the provisions of the Income Tax Act (Canada). On August 28, 2014, Muscular Dystrophy Canada was granted continuance under the Canada Not-for-Profit Corporations Act. Muscular Dystrophy Canada is a national voluntary organization committed to improving the quality of life of people with neuromuscular disorders and to finding a cure.

Muscular Dystrophy Canada supports the independence and full participation of Canadians with neuromuscular disorders, assists individuals to participate in decisions that affect them and to collaborate with others for social change.

1. Summary of significant accounting policies

Basis of accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the Chartered Professional Accountants of Canada Handbook. The financial statements include the following significant accounting policies.

Fund accounting

These financial statements include the following funds:

- Restricted for endowment purposes - includes donations that are required to be maintained by Muscular Dystrophy Canada on a permanent basis. Investment income earned on these funds is recorded in the Unrestricted fund.
- Invested in capital assets - reflects amounts that have been used for the purchase of capital assets, net of accumulated amortization.
- Unrestricted - includes the cumulative net assets arising from the accumulated excess of revenues over expenses.

Cash and restricted cash

Cash comprises cash on hand and cash held with Canadian Chartered banking institutions. Restricted cash includes amounts held in bank accounts in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario that have been secured from gaming activities and other designated funds.

Revenue recognition

Muscular Dystrophy Canada follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Undesignated contributions are recognized as revenue when received. Endowment contributions are recognized as direct increases in net assets.

Investment income, including interest income, is recognized as revenue when earned. Investment income allocated to the endowment assets is recognized as undesignated income. Investment income allocated to endowment funds in excess of that spent in the current year is added to the endowment funds.

Funds received related to events that have not occurred are recorded as deferred revenue and recognized as revenue when the event takes place.

Unrestricted government grants are recognized as revenue in the year received.

Other income is recognized as revenue when earned.

1. Summary of significant accounting policies (continued)

Allocation of expenses

Muscular Dystrophy Canada engages in providing research, support and advocacy, equipment funding and public education services. The costs of each service include the costs of personnel, premises and other expenses that are directly related to providing the services.

Expenses have been allocated according to the activity to which they relate or benefit. Expenses relating to, or benefitting, more than one activity are allocated on a predetermined basis, which management reviews on an ongoing basis. Thus, certain salaries and benefits are allocated based on management's estimated percentage of time spent and certain operational expenses are allocated based on the square footage being used by each functional unit. Central services expenses are allocated to fundraising programs and services based on estimated usage (Note 9).

Research grants

Commitments for research grants, which are payable over a specified number of years, are included in expenses in the year the Board approves the commitment.

Research commitments made under these research partnerships are made directly to the institutions that support the research activity.

Capital assets

Capital assets, which are initially recorded at cost, are amortized on the straight-line basis over their estimated useful lives as follows:

Information technology	20%
Furniture and equipment	20%
Leasehold improvements	over term of lease

Muscular Dystrophy Canada reviews the carrying amounts of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential to Muscular Dystrophy Canada, the excess of the net carrying amount over any residual value is recognized as an expense in the Statement of revenue and expenses.

Leases, rent expense and deferred lease inducements

Leases are accounted for as operating leases, wherein rental payments are initially recorded in the Statement of revenue and expenses and are adjusted to the straight-line basis over the term of the related lease. The difference between the straight-line rent expense and the rental payments, as stipulated under the lease agreement, is included in deferred lease inducements. Lease inducements are deferred and amortized on the straight-line basis over the term of the related lease.

Contributed goods and services

Volunteers contribute a significant amount of time to assist Muscular Dystrophy Canada in carrying out its activities. Because of the difficulty in determining its fair value, contributed time is not recognized in the financial statements.

Contributed goods and gifts-in-kind, for which fair value has been determined and receipts have been issued, are recorded at fair value at the time of receipt.

1. Summary of significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Muscular Dystrophy Canada subsequently measures all its financial assets and financial liabilities at amortized cost, except for short-term and long-term investments which are measured at fair value. Changes in the fair value are recognized in the Statement of revenue and expenses.

Financial assets, other than those measured at fair value, are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Short-term and long-term investments

Muscular Dystrophy Canada classifies its short-term and long-term investments based on intention for use, rather than the composition and maturity dates of the underlying investments. Although Muscular Dystrophy Canada has the ability to liquidate a portion of the long-term investments at any given time based on their composition, Muscular Dystrophy Canada intends to hold the long-term investments for a period greater than one year to earn investment income. Long-term investments are held solely for earning investment income and are not held for operating purposes. The proceeds from the sale of long-term investments are not withdrawn from the investment portfolios; instead, they are reinvested to purchase additional investments to be held for the purpose of earning investment income.

Use of estimates

The preparation of these financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The principal estimates used in the preparation of these financial statements relate to deferred revenue, the estimated useful lives of capital assets, fair value of investments, accrued liabilities and purchase order commitments. Actual results could differ from those estimates.

2. Restricted cash

Restricted cash includes amounts held in bank accounts in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario that have been secured from gaming activities and other designated funds. The monies are restricted to eligible expenses to be made to benefit persons with neuromuscular disorders residing in the province where the proceeds were received. Funds are transferred to the general operating bank account based on proof of payment of such eligible expenses.

Muscular Dystrophy Canada
Notes to the financial statements
March 31, 2025

3. Short-term investments

	Cost	2025 Fair value	Cost	2024 Fair value
	\$	\$	\$	\$
Cash and cash equivalents	100,826	100,826	4,079	4,079

4. Long-term investments

	Cost	2025 Fair value	Cost	2024 Fair value
	\$	\$	\$	\$
Cash and cash equivalents	21,273	21,273	65,720	65,720
Fixed income	3,048,321	2,854,489	3,367,901	2,976,613
Equities	2,158,461	3,138,587	2,376,529	3,435,137
	5,228,055	6,014,349	5,810,150	6,477,470

5. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
	\$	\$	\$	\$
Information technology	358,721	346,985	11,736	17,583
Furniture and equipment	138,679	135,152	3,527	3,358
Leasehold improvements	76,124	76,124	—	8,181
	573,524	558,261	15,263	29,122

6. Deferred contributions

Deferred contributions represent unspent contributions externally designated for specific purposes. Muscular Dystrophy Canada classifies these deferred contributions as neuromuscular research, services, education, or British Columbia gaming, depending on the designation of the contribution as defined by the external donor.

Muscular Dystrophy Canada
Notes to the financial statements
March 31, 2025

6. Deferred contributions (continued)

Changes in the deferred contributions balance are as follows:

	Neuromuscular research \$	Services \$	Education \$	British Columbia gaming \$	2025 Total \$	2024 Total \$
Balance, beginning of year	247,323	1,446,906	704,093	10,792	2,409,114	3,103,412
Amounts received during the year	1,951,348	1,580,607	125,621	1,422	3,658,998	3,030,753
Amortization of deferred contributions during the year	(1,900,611)	(1,664,907)	(116,456)	(1,622)	(3,683,596)	(3,725,051)
Balance, end of year	298,060	1,362,606	713,258	10,592	2,384,516	2,409,114

Details of revenue are as follows:

	2025 \$	2024 \$
General campaign and donations	5,515,125	6,434,211
Transfer from deferred contributions	3,683,596	3,725,051
Fundraising revenue	9,198,721	10,159,262

Details of British Columbia gaming deferred contributions are as follows:

	Fraser Valley Chapter \$	British Columbia Chapter \$	2025 Total \$	2024 Total \$
Amounts received during the year	37	1,385	1,422	3,198
Expenditures				
Programs and services				
Equipment	—	1,622	1,622	60
(Deficiency) excess of amounts received over expenditures for the year	37	(237)	(200)	3,138

7. Deferred revenue

The changes for the year in deferred revenue balance are as follows:

	2025 \$	2024 \$
Balance, beginning of year	119,338	211,142
Amortization of revenue during the year	(119,338)	(164,733)
Amounts received during the year	73,742	72,929
Balance, end of year	73,742	119,338

8. Disclosure in compliance with the Imagine Canada Ethical Fundraising and Financial Accountability Code

Muscular Dystrophy Canada's governing board has adopted the Ethical Fundraising and Financial Accountability Code of Imagine Canada.

	2025	2024
	\$	\$
Total fundraising revenue	9,198,721	10,159,262
Total fundraising expenses	2,000,352	2,079,057
Total donations received for tax purposes	2,811,446	3,475,521
Total expenditures on charitable activities	6,061,236	6,684,094

9. Allocation of expenses

Salaries and benefits and certain operational expenses, such as rent and capital maintenance, have been allocated as follows:

	Salaries and benefits	Operational expenses	2025 Total	Salaries and benefits	Operational expenses	2024 Total
	\$	\$	\$	\$	\$	\$
Fundraising operating support	1,235,145	457,059	1,692,204	1,369,143	528,613	1,897,756
Services operating support	—	153,484	153,484	—	178,675	178,675
Other programs	—	404,623	404,623	—	448,185	448,185
	1,235,145	1,015,166	2,250,311	1,369,143	1,155,473	2,524,616

10. Inter-fund transfer

Muscular Dystrophy Canada's Board approved an allocation of investment income relating to fiscal year ended March 31, 2025 in the amount of \$57,005 (\$54,685 in 2024) from the Unrestricted fund to the Restricted for endowment purposes fund.

11. Accounts payable and accrued liabilities

There are no outstanding government remittances as at March 31, 2025 and 2024.

12. Pension plan

Muscular Dystrophy Canada has a defined contribution pension plan. Under the terms of the plan, eligible employees contribute a range of 2% to 5% of their earnings. Muscular Dystrophy Canada is required to match the employees' contributions. Employer contributions for the year were \$165,809 (\$158,291 in 2024) and employee contributions were \$166,079 (\$158,291 in 2024).

13. Commitments

Muscular Dystrophy Canada rents office space under the terms of various operating lease agreements, expiring in 2027. These leases have aggregate minimum annual lease payments, exclusive of operating costs and realty taxes, as follows:

	<u>\$</u>
2026	61,305
2027	<u>8,646</u>
	<u>69,951</u>

In relation to these leases, Muscular Dystrophy Canada has agreed to indemnify the landlord against losses occurring on the leased premises, which may arise out of a breach of the lease agreement.

14. Financial instrument risk

Muscular Dystrophy Canada holds financial instruments subject to market price risk, credit risk, interest rate risk, liquidity risk and foreign currency risk.

Market price risk

Market price risk is the risk the value of an investment will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuers or all factors affecting all instruments traded in the market. As all of Muscular Dystrophy Canada's financial instruments are carried at fair value with fair value changes recognized in the statement of revenue and expenses, all changes in market conditions will directly result in an increase (decrease) in net assets. Market price risk is managed through construction of a diversified portfolio of instruments traded on various markets and across various industries.

Credit risk

Financial instruments that potentially subject Muscular Dystrophy Canada to concentrations of credit risk are cash and investments. Muscular Dystrophy Canada places its cash in interest bearing accounts and eligible cash deposits are insured by the Canadian Deposit Insurance Corporation. In addition, Muscular Dystrophy Canada holds highly liquid investments that are readily convertible into known amounts of cash.

Interest rate risk

Interest rate risk arises from the possibility changes in interest rates will affect the value of fixed income long-term investments held by Muscular Dystrophy Canada. Muscular Dystrophy Canada manages this risk by holding fixed income government bonds and guaranteed investment certificates and by staggering the terms of the investments held.

Liquidity risk

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with financial liabilities.

All of Muscular Dystrophy Canada's investments are considered to be readily realizable, as they can be quickly liquidated at amounts close to their fair value in order to meet liquidity requirements.

14. Financial instrument risk (continued)

Foreign currency risk

Foreign currency risk is the risk the value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Muscular Dystrophy Canada invests in financial instruments and enters into transactions denominated in various foreign currencies other than its measurement currencies. Consequently, Muscular Dystrophy Canada is exposed to risks the exchange rate of the various currencies may change in a manner that will have an adverse effect on the value of the portion of Muscular Dystrophy Canada's assets denominated in currencies other than the Canadian dollar. Currently, the only other currency in which Muscular Dystrophy Canada holds investments is the US dollar.

15. Contingencies

From time to time, lawsuits and claims have been brought against Muscular Dystrophy Canada. Muscular Dystrophy Canada vigorously contests such lawsuits and claims and management believes any resulting outcome would not have a material effect on the financial position or the statement of revenue and expenses of Muscular Dystrophy Canada. At this time, there is no outstanding litigation against Muscular Dystrophy Canada.

16. Commitments for research grants

Muscular Dystrophy Canada approved research grants to institutions that support Neuromuscular research activities, which are payable over a specified number of years as follows:

	<u> </u> \$
2026	<u> </u> 1,490,497

In relation to these research grants made under the research partnerships, commitments are made directly to the institutions that support the research activity.

17. Deferred revenue - lease inducements

The deferred lease inducement is being amortized over the term of the lease as follows:

	<u> </u> \$
2026	<u> </u> 6,234

18. Planned giving

Muscular Dystrophy Canada is the designated beneficiary of multiple life insurance policies with a principal sum assured of \$365,508. No amount has been recorded in these financial statements with respect to these insurance policies.

19. Subsequent events

On March 24, 2025, the Board approved Muscular Dystrophy Canada to change its fiscal year-end from March 31 to December 31. The next fiscal year will be a 9-month period ending December 31, 2025.

20. Comparative figures

Certain comparative figures have been reclassified in order to conform with the presentation adopted in the current year.