

Responsible Gambling Council of Canada
Non-consolidated Financial Statements
For the year ended March 31, 2026

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Independent Auditor's Report

To the Members of Responsible Gambling Council of Canada

Opinion

We have audited the non-consolidated financial statements of Responsible Gambling Council of Canada (the "Organization"), which comprise the non-consolidated statement of financial position as at March 31, 2026, and the non-consolidated statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, 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 Non-consolidated 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 non-consolidated 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated financial statements.



Independent Auditor's Report (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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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

Toronto, Ontario
June 24, 2026

Responsible Gambling Council of Canada

Non-consolidated Statement of Financial Position

March 31 2026 2025

Assets

Current

Cash	\$ 1,639,635	\$ 1,411,137
Short-term investments (Note 2)	1,000,001	650,000
Accounts receivable	115,730	273,286
Prepaid expenses	224,143	170,738
Due from controlled organization (Note 3)	6,555	216,400
	<u>2,986,064</u>	<u>2,721,561</u>

Capital assets (Note 4) 175,387 204,620

\$ 3,161,451 \$ 2,926,181

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 143,523	\$ 197,790
Due to Ontario Lottery and Gaming Corporation	-	50,000
Deferred revenue (Note 5)	680,002	320,729

823,525 568,519

Deferred lease inducement (Note 6) 75,961 87,955

899,486 656,474

Net Assets

Restricted (Note 10)	318,752	420,634
Invested in capital assets	175,387	204,620
Unrestricted	1,767,826	1,644,453

2,261,965 2,269,707

\$ 3,161,451 \$ 2,926,181

On behalf of the Board:

_____ Chairman

_____ Chair, Audit Committee

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

Responsible Gambling Council of Canada

Non-consolidated Statement of Changes in Net Assets

For the year ended March 31

		Restricted	Invested in Capital Assets	Unrestricted	Total 2026	Total 2025
Balance, beginning of year	\$	420,634	\$ 204,620	\$ 1,644,453	\$ 2,269,707	\$ 1,471,824
Excess (deficiency) of revenue over expenses		(101,882)	(29,233)	123,373	(7,742)	797,883
Balance, end of year	\$	318,752	\$ 175,387	\$ 1,767,826	\$ 2,261,965	\$ 2,269,707

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

Responsible Gambling Council of Canada

Non-consolidated Statement of Operations

For the year ended March 31	2026	2025
Revenue		
Program and project revenue	\$ 3,133,665	\$ 3,720,906
Other income	<u>40,802</u>	<u>343,895</u>
	<u>3,174,467</u>	<u>4,064,801</u>
Expenses		
Wages and benefits	2,069,318	2,079,206
Office administration	282,483	415,644
Prevention programs and project costs	462,597	391,239
Professional fees	191,727	363,152
Occupancy	44,969	45,645
Amortization	<u>29,233</u>	<u>29,231</u>
	<u>3,080,327</u>	<u>3,324,117</u>
Excess of revenue over expenses before undernoted items	94,140	740,684
Canadian Partnership for Responsible Gambling - net (Note 10)	<u>(101,882)</u>	<u>57,199</u>
Excess (deficiency) of revenue over expenses	\$ (7,742)	\$ 797,883

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

Responsible Gambling Council of Canada

Non-consolidated Statement of Cash Flows

For the year ended March 31 **2026** **2025**

Cash provided by (used in)

Operating activities

Excess (deficiency) of revenue over expenses	\$ (7,742)	\$ 797,883
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by operating activities:		
Amortization of capital assets	29,233	29,231
Lease inducement recognized	(11,994)	(11,994)
Changes in non-cash working capital items		
Accounts receivable	157,556	(125,166)
Prepaid expenses	(53,405)	(149,310)
Accounts payable and accrued liabilities	(54,267)	(194,850)
Due to Ontario Lottery and Gaming Corporation	(50,000)	-
Deferred revenue	359,273	12,513
	368,654	358,307

Investing activities

Advances to controlled organization	209,845	16,420
Purchase of short-term investment	(350,001)	(650,000)
	(140,156)	(633,580)

Increase (decrease) in cash during the year **228,498** **(275,273)**

Cash, beginning of year **1,411,137** **1,686,410**

Cash, end of year **\$ 1,639,635** **\$ 1,411,137**

Represented by:

Cash - unrestricted	\$ 1,269,364	\$ 978,059
Cash - restricted	370,271	433,078
	\$ 1,639,635	\$ 1,411,137

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

Responsible Gambling Council of Canada

Notes to Non-consolidated Financial Statements

March 31, 2026

1. Significant Accounting Policies

Nature and Purpose of Organization

Responsible Gambling Council of Canada ("RGCC" or the "Organization") was incorporated under the Canada Corporations Act as non-profit organizations, and transitioned to the Canada Not-for-profit Corporations Act effective July 31, 2014. Responsible Gambling Council (Ontario) ("RGCO") is incorporated under the Ontario Corporations Act as a non-profit organization.

RGCC and RGCO are organizations with the objective of preventing problem gambling by providing the public with effective education, information, standards, and analysis, as well as operating and maintaining effective prevention programs, services, and products.

RGCC also has the objective of preventing problem gambling by researching problem gambling risk reduction and developing best practices for prevention as well as developing responsible gambling standards for gaming establishments.

RGCO also has the objective of preventing problem gambling by researching problem gambling risk reduction and developing best practices for prevention.

RGCC and RGCO are registered charities under the Income Tax Act and are exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

These financial statements are non-consolidated as they do not reflect financial information for RGCO. RGCC is the governing member of RGCO. The majority of the Board of Directors is the same between RGCC and RGCO. Refer to Note 3.

Basis of Accounting

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

Responsible Gambling Council of Canada

Notes to Non-consolidated Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Prevention program revenues are recognized in the period in which the services are provided or the goods are shipped and title has passed. Payments attributable to a product or service contracted for but not delivered, are recorded as deferred revenue until delivery is made.

Project revenue is recognized on the percentage of completion basis, whereby the percentage is determined using the output method, i.e. milestones achieved. In the case of a contract with an expected loss, the full amount of the loss is recorded in the period when the loss is determined. Revenue is recognized when there is clear evidence that an arrangement exists, the project fee is determined in the contract, collection is reasonably assured and the milestones listed in the contract have been achieved.

Annual Canadian Partnership for Responsible Gambling ("CPRG") contributions are non-refundable and recorded as revenue when the services are provided. The restricted fund records the activities of CPRG.

Controlled Organization

The Organization has chosen not to consolidate the organization it controls but to disclose information about the controlled organization (Note 3).

Financial Instruments

Financial instruments are initially recognized at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. In addition, guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired. Transaction costs 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.

Use of Estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates are reviewed periodically and as adjustments become necessary they are reported in the year in which they become known. Actual results could differ from those estimates.

Responsible Gambling Council of Canada

Notes to Non-consolidated Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Allocation of Expenses

The Organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year as follows:

Wages and benefits - based on management's best estimate of time spent by employees for CPRG, RGCO and general operation activities.

Administration and occupancy costs - allocated based on full time employees for each organization except for rent which is allocated based on budgets approved by the Ministry of Health, the Ontario Lottery and Gaming Corporation, and partners in CPRG.

Refer to Note 7.

Translation of Foreign Currencies

The monetary assets and liabilities of the Organization 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 results of operations.

Cash

Cash deposits included in the CPRG bank account are available only for partnership activities for which the funds were received.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided annually on bases designed to amortize the assets over their estimated useful lives, as follows

Leasehold improvements - straight-line over the term of the lease

Government Assistance

The Organization makes periodic applications for financial assistance under government incentive programs. Government subsidies received are accounted for as revenue in the year they relate.

Responsible Gambling Council of Canada

Notes to Non-consolidated Financial Statements

March 31, 2026

2. Short-term Investment

Short-term investment consists of a prime-linked cashable guaranteed investment certificate maturing October 7, 2026 (2025 - October 2, 2025).

3. Controlled Organization

Due From Controlled Organization

	2026	2025
Due from RGCO	\$ 6,555	\$ 216,400

The advances are due on demand, non-interest bearing and have no specific terms of repayment.

Responsible Gambling Council (Ontario)

	2026	2025
Assets	\$ 2,082,289	\$ 4,169,880
Liabilities	1,554,901	3,698,899
Net Assets	527,388	470,981
Revenue	\$ 15,545,438	\$ 14,468,800
Expenses	15,489,031	14,391,599
Cash Flows		
Cash flows provided by operating activities	\$ (2,037,615)	\$ 1,851,288
Cash flows provided by investing activities	600,001	(1,000,001)
Cash flows provided by financing activities	(209,845)	(16,420)

During the year, RGCC engaged in transactions in the normal course of operations with RGCO which were measured at the exchange amount, as follows:

	2026	2025
Problem Gambling Prevention Program	\$ 344,280	\$ 264,665
Occupancy and administration costs	126,411	207,393
Wages and benefits	174,941	8,756
CPRG membership fee	10,000	10,000

Responsible Gambling Council of Canada

Notes to Non-consolidated Financial Statements

March 31, 2026

4. Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 370,665	\$ 195,278	\$ 370,665	\$ 166,045
		\$ 175,387		\$ 204,620

5. Deferred Revenue

	2026		2025	
Projects	\$ 395,868	\$	150,032	
Conference sponsorship	284,134		170,697	
	\$ 680,002	\$	320,729	

6. Deferred Lease Inducement

	2026		2025	
Balance, beginning of year	\$ 87,955	\$	99,949	
Less amounts recognized in the year	(11,994)		(11,994)	
Balance, end of year	\$ 75,961	\$	87,955	

Responsible Gambling Council of Canada

Notes to Non-consolidated Financial Statements

March 31, 2026

7. Allocation of Expenses

Wages and benefits of \$69,396 (2025 - \$152,052) have been allocated as follows:

	2026	2025
Responsible Gambling Council (Ontario)	\$ 69,396	\$ 152,052

The Organization has service agreements with RGCO. to provide certain facilities and services to RGCO. As a result certain administration costs are allocated from RGCC to RGCO.

Administration and occupancy costs of \$152,753 (2025 - \$229,497) have been allocated as follows:

	2026	2025
Responsible Gambling Council (Ontario)	\$ 146,753	\$ 223,497
Canadian Partnership for Responsible Gambling	6,000	6,000
	\$ 152,753	\$ 229,497

8. Financial Instruments and Risk Exposure

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities as they come due. The Organization is exposed to this risk in respect of its accounts payable, due to Ontario Lottery and Gaming Corporation and commitments. Accounts payable are generally repaid within the credit terms.

Interest Rate Risk

The Organization's exposure to interest rate risk arises primarily from its short-term investment consisting of a guaranteed investment certificate with a floating interest rate. The objective of the Organization's interest rate management activities is to minimize the volatility of the Organization's earnings. The Organization is not exposed to significant rate risk on its assets.

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 credit risk arising from its accounts receivable and due from controlled organization. The Organization assesses, on a continuous basis, accounts receivable on the basis of amounts for which ultimate collection is reasonably assured based on their estimated realizable value. As at March 31, 2026 and 2025, there was no provision for doubtful accounts receivable.

Liquidity and credit risks have not changed since the prior year.

Responsible Gambling Council of Canada

Notes to Non-consolidated Financial Statements

March 31, 2026

9. Commitments

RGCC is committed under a long-term lease for premises and equipment leases expiring at various times from January 2027 to July 2032. Minimum annual rentals (exclusive of requirement to pay taxes, insurance and maintenance costs) are approximately as follows:

2027	\$ 100,261
2028	101,341
2029	102,480
2030	104,757
2031	108,173
Thereafter	<u>149,165</u>
	<u>\$ 666,177</u>

10. Canadian Partnership for Responsible Gambling

During the year, CPRG contributions totalled \$133,443 (2025 - \$109,225) and related expenses of \$235,325 (2025 - \$52,026) were incurred. Restricted net assets represent accumulated net assets for the Canadian Partnership for Responsible Gambling.

11. Credit Facility

The Organization has a credit facility of of \$50,000 (2025 - \$50,000) which was not utilized as at March 31, 2026 or 2025. Borrowings under this facility are due on demand and bear interest at the bank's prime rate plus 2.50% (2025 - bank's prime rate plus 2.50%).