

Responsible Gambling Council (Ontario)
Financial Statements
For the year ended March 31, 2026

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Independent Auditor's Report

To Members of Responsible Gambling Council (Ontario)

Opinion

We have audited the financial statements of Responsible Gambling Council (Ontario) (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of changes in net assets, operations, 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 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 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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.



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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 24, 2026

Responsible Gambling Council (Ontario)

Statement of Financial Position

March 31 **2026** 2025

Assets

Current

Cash	\$ 971,923	\$ 2,619,382
Short-term investment (Note 2)	400,000	1,000,001
Accounts receivable	377,292	415,436
Prepaid expenses	265,516	135,061
Due from Ontario Lottery and Gaming Corporation (Note 4)	67,558	-
	\$ 2,082,289	\$ 4,169,880

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 1,212,762	\$ 1,687,014
Due to related party (Note 3)	6,555	216,400
Due to Ontario Lottery and Gaming Corporation (Note 4)	-	1,444,868
Due to Ministry of Health (Note 5)	335,584	350,617
	1,554,901	3,698,899

Net Assets

Unrestricted	527,388	470,981
	\$ 2,082,289	\$ 4,169,880

On behalf of the Board:

_____ Chairman

_____ Chair, Audit Committee

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

Responsible Gambling Council (Ontario)
Statement of Changes in Net Assets

For the year ended March 31	2026	2025
Balance, beginning of year	\$ 470,981	\$ 399,740
Excess of revenue over expenses	56,407	71,241
Balance, end of year	\$ 527,388	\$ 470,981

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

Responsible Gambling Council (Ontario)

Statement of Operations

For the year ended March 31	2026	2025
Program Revenue and Costs		
PlaySmart Centres revenue	\$ 9,278,116	\$ 8,195,677
PlaySmart Centres costs	<u>(9,278,116)</u>	<u>(8,195,677)</u>
	-	-
Other income		
Ministry of Health funding	6,210,915	6,195,881
Memberships and other income	<u>56,407</u>	<u>71,242</u>
	<u>6,267,322</u>	<u>6,267,123</u>
Expenses		
Programs	3,852,681	3,843,712
Wages and benefits	1,814,823	1,768,778
Office administration	161,416	178,193
Occupancy	84,216	82,272
Information and awareness	80,798	133,630
Professional development	51,426	13,648
Travel	33,047	23,989
Professional fees	32,990	45,027
Pension and retirement allowance	26,935	26,935
Board expenses	18,160	26,000
Telephone	17,903	15,350
Fees and dues	13,838	17,494
Bank charges and interest	12,682	10,854
Insurance	<u>10,000</u>	<u>10,000</u>
	<u>6,210,915</u>	<u>6,195,882</u>
Excess of revenue over expenses	<u>\$ 56,407</u>	<u>\$ 71,241</u>

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

Responsible Gambling Council (Ontario)

Statement of Cash Flows

For the year ended March 31	2026	2025
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	\$ 56,407	\$ 71,241
Changes in non-cash working capital items		
Accounts receivable	38,144	(217,580)
Prepaid expenses	(130,455)	(98,630)
Accounts payable and accrued liabilities	(474,252)	742,209
Due to/from Ontario Lottery and Gaming Corporation	(1,512,426)	1,064,033
Due to Ministry of Health	(15,033)	290,015
	<u>(2,037,615)</u>	1,851,288
Investing activity		
Proceeds from (purchase of) short-term investment	600,001	(1,000,001)
Financing activity		
Repayment to related parties	<u>(209,845)</u>	(16,420)
Increase (decrease) in cash during the year	(1,647,459)	834,867
Cash, beginning of year	<u>2,619,382</u>	1,784,515
Cash, end of year	<u>\$ 971,923</u>	<u>\$ 2,619,382</u>

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

Responsible Gambling Council (Ontario)

Notes to Financial Statements

March 31, 2026

1. Significant Accounting Policies

Nature and Purpose of Organization

Responsible Gambling Council (Ontario) ("RGCO") is incorporated under the Ontario Corporations Act as a non-profit organization whose objective is to prevent problem gambling by:

- providing the public with effective education, information, standards, and analysis;
- researching problem gambling risk reduction and developing best practices for prevention; and
- operating and maintaining effective prevention programs, services, and products.

The Organization is a not-for-profit charitable entity incorporated without share capital under the laws of Ontario and, as such, is exempt from income tax and may issue receipts to donors.

Basis of Accounting

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

Revenue Recognition

RGCO follows the deferral method of accounting for contributions.

Program revenues are recognized in the year in which the related expenses are incurred. Payments attributable to a product or service contracted for but not delivered are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants received from the Ministry of Health and Ontario Lottery and Gaming Corporation ("OLG") are recognized as revenue in the year when the related expenses are incurred. Amounts received but not spent are recorded as deferred revenue during the term of the grant. Any funding that is unspent, together with all interest income, may be payable to OLG subject to OLG's annual review.

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.

Responsible Gambling Council (Ontario) Notes to Financial Statements

March 31, 2026

1. Significant accounting policies *(continued)*

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 March 31, 2026 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.

Allocation of Expenses

RGCO receives grant funding for several programs. These grants provide funding for personnel, premises, and other expenses directly related to providing the services in accordance with the funding agreements.

RGCO identifies the related general support expenses and allocates to the program based on hours of personnel and estimated usage for premises and other expenses.

Refer to Note 6.

Government Assistance

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

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. Related Party Transactions

	<u>2026</u>	<u>2025</u>
Due to Related Party		
Responsible Gambling Council Canada ("RGCC")	\$ 6,555	\$ 216,400

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

Responsible Gambling Council (Ontario)

Notes to Financial Statements

March 31, 2026

3. Related Party Transactions *(continued)*

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

	2026	2025
Problem Gambling Prevention Program	\$ 384,280	\$ 424,665
Occupancy and administration costs	126,411	207,393
Wages and benefits (recovery)	(174,941)	(8,756)
CPRG membership fee	10,000	10,000

4. Due from (to) Ontario Lottery and Gaming Corporation

The Ontario Lottery and Gaming Corporation provides RGCO with funding for the PlaySmart Centres. Expenditures incurred and recoverable under the agreement are included as due from Ontario Lottery and Gaming Corporation, while any funds not used by agreement deadlines must be repaid to the Ontario Lottery and Gaming Corporation. Any spending variances from the agreed full year projections will be identified and any amount owing will reduce the payments received from Ontario Lottery and Gaming Corporation the following fiscal year.

5. Due to Ministry of Health

The Ministry of Health provides funding to RGCO under various agreements. Any funds not used by agreement deadlines must be repaid to the Ministry of Health. These funds are kept in an operating bank account until payment is requested.

The balance due to the Ministry of Health consists of:

	2026	2025
Opening balance	\$ 350,617	\$ 60,602
Net current year funding advance (repaid)	(15,033)	290,015
Ending balance	\$ 335,584	\$ 350,617

Responsible Gambling Council (Ontario)

Notes to Financial Statements

March 31, 2026

6. Allocation of Expenses

Wages and benefits of \$875,428 (2025 - \$650,044) have been allocated as follows:

	<u>2026</u>	<u>2025</u>
PlaySmart Centres	\$ 612,096	\$ 467,244
Responsible Gambling Council of Canada	244,332	160,800
Responsible Gambling Council of Canada - CPRG	<u>19,000</u>	<u>22,000</u>
	<u>\$ 875,428</u>	<u>\$ 650,044</u>

Overhead costs of \$71,241 (2025 - \$52,902) have been allocated to PlaySmart Centres.

7. 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. RGCO is exposed to this risk mainly in respect of its accounts payable, due to related party, due to Ontario Lottery and Gaming Corporation, and due to Ministry of Health. Accounts payable are generally repaid within the credit terms.

RGCO's ability to meet its obligations depends on the continuous receipt of funding from the Ministry of Health and Ontario Lottery and Gaming Corporation. RGCO receives the vast majority of its funding from these two organizations and would not be able to provide their services without this funding.

Interest Rate Risk

RGCO'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 RGCO's interest rate management activities is to minimize the volatility of the RGCO's earnings. RGCO 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. RGCO is exposed to credit risk arising from its accounts receivable. RGCO 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. This risk has not changed from the prior year. As at March 31, 2026 and 2025, there was no provision for doubtful accounts receivable.

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

8. Economic Dependence

RGCO is economically dependent on the funding from the Ministry of Health and and the Ontario Lottery and Gaming Corporation.