

## Consolidated Financial Statements

British Columbia Lions Society for Children  
with Disabilities operating as Easter Seals  
BC/Yukon

September 30, 2025

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Consolidated Statement of Operations	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Change in Net Assets	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 15

# Independent Auditor's Report

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To the Members of The British Columbia Lions Society for Children with Disabilities:

## Report on the audit of the financial statements

### Qualified opinion

We have audited the consolidated financial statements of The British Columbia Lions Society for Children with Disabilities (the "Society"), which comprise the consolidated statement of financial position as at September 30, 2025, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Society as at September 30, 2025, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for qualified opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses, and cash flows from operations for the years ended September 30, 2025 and 2024, current assets as at September 30, 2025 and 2024, and net assets as at September 30 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended September 30, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 consolidated Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the 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 qualified opinion.

### Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 consolidated 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 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 Society'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 Society'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 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

**Report on other legal and regulatory requirements**

As required by the Societies Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada  
November 28, 2025

*Doane Grant Thornton LLP*

Chartered Professional Accountants

# British Columbia Lions Society for Children with Disabilities

## Consolidated Statement of Operations

Year ended September 30

2025

2024

### Revenues

#### Programs

Camps	\$ 1,008,037	\$ 1,082,832
Easter Seal House	1,261,921	1,373,031
Client services	-	45,451

**2,269,958** 2,501,314

Donations from general public **914,011** 922,471

Government grants and assistance **786,552** 1,108,085

Special events **593,950** 679,431

Lions and other service clubs **278,750** 169,142

Investment income **254,568** 447,586

Community gaming grants **252,955** 275,489

**5,350,744** 6,103,518

### Expenses

#### Programs

Camps	2,479,547	2,731,946
Easter Seal House	906,529	739,980
Client services	-	180,248

**3,386,076** 3,652,174

Campaigns **1,466,140** 1,678,688

Special events **271,870** 187,736

Administration **448,472** 692,981

Amortization of capital assets **188,031** 228,075

**5,760,589** 6,439,654

### Deficiency of revenues over expenses

**\$ (409,845) \$ (336,136)**

# British Columbia Lions Society for Children with Disabilities

## Consolidated Statement of Financial Position

September 30

2025

2024

### Assets

#### Current

Cash	\$ 16,301	\$ 31,878
Accounts receivable (Note 3)	316,065	767,452
Prepaid expenses	16,781	11,180
Short-term investments (Note 4)	4,008,988	3,815,032
	<b>4,358,135</b>	<b>4,625,542</b>

Long-term investments (Note 4)

550,608 506,479

Capital assets (Note 5)

4,796,827 4,311,164

**\$ 9,705,570 \$ 9,443,185**

### Liabilities

#### Current

Bank indebtedness (Note 6)	\$ 1,205,000	\$ 343,000
Accounts payable and accrued liabilities (Note 7)	346,086	374,639
Current portion of long-term debt (Note 8)	1,262,500	150,000
Deferred revenue (Note 9)	45,618	88,313
	<b>2,859,204</b>	<b>955,952</b>

Long-term debt (Note 8)

- 1,262,500

Deferred capital contributions (Note 10)

6,813,324 6,782,346

**9,672,528 9,000,798**

### Net assets

Externally restricted for endowments (Note 11)

440,439 439,939

Unrestricted net assets

(407,397) 2,448

**33,042 442,387**

**\$ 9,705,570 \$ 9,443,185**

On behalf of the Board of Directors

\_\_\_\_\_  
Director \_\_\_\_\_ Director

# British Columbia Lions Society for Children with Disabilities

## Consolidated Statement of Changes in Net Assets

Year ended September 30	Externally restricted for endowments	Unrestricted	2025	2024
Net assets, beginning of year	\$ 439,939	\$ 2,448	\$ 442,387	\$ 777,523
Deficiency of revenues over expenses	-	(409,845)	(409,845)	(336,136)
Endowment contributions	500	-	500	1,000
Net assets, end of year	<u>\$ 440,439</u>	<u>\$ (407,397)</u>	<u>\$ 33,042</u>	<u>\$ 442,387</u>

See accompanying notes to the consolidated financial statements.



# British Columbia Lions Society for Children with Disabilities

## Consolidated Statement of Cash Flows

Year ended September 30

2025

2024

Cash flows derived from (applied to)

### Cash flows from operating activities

Deficiency of revenues over expenses	\$ (409,845)	\$ (336,136)
Items not involving cash		
Amortization of capital assets	188,031	228,075
Recognition of deferred capital contributions	(664,496)	(1,036,361)
Unrealized gain on investments	(173,920)	(318,337)
Change in non-cash operating working capital		
Accounts receivable	451,387	(333,623)
Prepaid expenses	(5,601)	15,202
Accounts payable and accrued liabilities	(28,553)	42,763
Deferred revenue	(42,695)	(36,209)
	<u>(685,692)</u>	<u>(1,774,626)</u>

### Cash flows from investing activities

Investments purchased	(64,165)	(2,507,657)
Capital assets acquired	(673,694)	(399,936)
	<u>(737,859)</u>	<u>(2,907,593)</u>

### Cash flows from financing activities

Repayment of long-term debt	(150,000)	(150,000)
Repayment of CEBA loan	-	(40,000)
Receipt of capital contributions	695,474	661,230
Endowment contributions received	500	1,000
	<u>545,974</u>	<u>472,230</u>

### Decrease in cash and cash equivalents during the year

(877,577) (4,209,989)

Cash and cash equivalents (bank indebtedness),  
beginning of year

(311,122) 3,898,867

### Cash and cash equivalents (bank indebtedness), end of year

\$ (1,188,699) \$ (311,122)

### Cash and cash equivalents consists of:

Cash	\$ 16,301	\$ 31,878
Bank indebtedness	(1,205,000)	(343,000)
	<u>\$ (1,188,699)</u>	<u>\$ (311,122)</u>

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# British Columbia Lions Society for Children with Disabilities

## Notes to the Consolidated Financial Statements

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September 30, 2025

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### 1. Nature of activities and economic dependence

The British Columbia Lions Society for Children with Disabilities (the "Society") is a not-for-profit organization incorporated under the Societies Act (British Columbia).

The Society, together with its Affiliated Societies, provide services to persons with disabilities from the Provinces of British Columbia and Yukon. These services are funded by donations from the general public and others to the Society and its affiliates, Easter Seal House Society, 24-Hour Relay for the Kids Society, The British Columbia Lions Foundation for Children with Disabilities and the British Columbia Easter Seal Society (collectively, the "Affiliated Societies"). The Society controls the Affiliated Societies by virtue of a common Board of Directors. The Society and the Affiliated Societies are charitable organizations registered under the *Income Tax Act* and, as such, they are exempt from income and capital taxes and are able to issue donation receipts for income tax purposes.

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### 2. Significant accounting policies

#### Basis of presentation

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the accounts of the Affiliated Societies. All significant balances and transactions among the Society and the Affiliated Societies have been eliminated on consolidation. These consolidated financial statements are prepared in accordance with the following significant accounting policies:

#### Revenue recognition

The Society follows the deferral method of accounting for contributions. 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. Restricted contributions and investment income are recognized as revenue in the year in which the related expenses are incurred or the restrictions have been met. Contributions externally restricted for capital assets are recognized into income over the same period as the capital assets purchased with the contributions. Endowment contributions are recognized as direct increases in net assets restricted for endowments. Unrestricted investment income is recognized as revenue when earned.

All transactions are recorded at the exchange amount, except those involving donated services and materials. Donated services and materials normally acquired for the operations of the Society are recorded at their fair value, when readily determinable, as of the date the services are provided or the materials are received. Donated services in the form of volunteer time are not recognized in these consolidated financial statements due to the difficulty in determining a fair value. During the year, the Society recorded various donated services and materials valued at \$3,680 (2024 - \$9,572).

Pledges receivable are recorded as revenue when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured. Included in accounts receivable at September 30, 2025 are pledges receivable of \$Nil (2024 - \$300,000).

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# British Columbia Lions Society for Children with Disabilities

## Notes to the Consolidated Financial Statements

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September 30, 2025

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### 2. Significant accounting policies (continued)

#### Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with terms to maturity of three months or less at the date of acquisition and amounts drawn on the Society's line of credit.

#### Capital assets

Capital assets are valued at cost less accumulated amortization. Amortization is provided annually on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	10-20 years
Furniture and equipment	2-20 years
Vehicles	5-8 years
Assets under capital lease	Over the life the agreement

#### Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are amortized on a straight-line basis over the term of the lease to rental expense. At the inception of a capital lease, an asset and an obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

#### Impairment of long-lived assets

The Society reviews, for impairment, the carrying value of capital assets to be held and used whenever events or changes in circumstances indicate that a cost incurred on an asset does not provide future service potential to the Society. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its residual value.

#### Allocation of expenses

Expenses have been allocated to individual programs, campaigns, lotteries, public relations and Affiliated Societies based on the specific identification of such costs.

Management allocates administrative resource costs between the general administration expense and events and programs based on the percentage of time that administrative staff spends on those events and programs. Management re-evaluates the allocation percentages on an annual basis.

#### Measurement uncertainty

The preparation of financial statements 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 dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring estimates include the determination of useful lives for amortization and, where applicable, impairment of capital assets, the estimated realizable value of accounts receivable and amounts recorded as contingent liabilities. Actual results could differ from these estimates.

# British Columbia Lions Society for Children with Disabilities

## Notes to the Consolidated Financial Statements

September 30, 2025

### 2. Significant accounting policies (continued)

#### Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and investments are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Financial assets recorded 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 indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society 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.

### 3. Accounts receivable

	<u>2025</u>	<u>2024</u>
Bequest	\$ -	\$ 300,000
BC Housing receivable	-	170,587
Other receivables	255,590	165,784
Grants receivable	40,000	109,612
GST receivable	<u>38,475</u>	<u>39,469</u>
	334,065	785,452
Less: allowance for bad debts	<u>(18,000)</u>	<u>(18,000)</u>
	<u>\$ 316,065</u>	<u>\$ 767,452</u>

# British Columbia Lions Society for Children with Disabilities

## Notes to the Consolidated Financial Statements

September 30, 2025

### 4. Investments

	2025	2024
Fixed income investments, measured at fair value	\$ 3,298,257	\$ 3,072,477
Money market funds, measured at fair value	53,398	54,170
Equity investments, measured at fair value	1,207,941	1,194,864
	4,559,596	4,321,511
Less: short-term investments	(4,008,988)	(3,815,032)
Long-term investments	\$ 550,608	\$ 506,479

Investment income earned during the year is comprised of the following:

	2025	2024
Interest and dividends	\$ 76,625	\$ 129,480
Realized gain (loss)	4,023	(231)
Unrealized gain	173,920	318,337
	\$ 254,568	\$ 447,586

### 5. Capital assets

5. Capital assets			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 822,819	\$ -	\$ 822,819	\$ 822,819
Buildings	8,748,741	7,952,150	796,591	938,357
Furniture and equipment	3,851,711	3,712,749	138,962	153,608
Vehicles	294,278	255,867	38,411	5,670
Development in progress	3,000,044	-	3,000,044	2,390,710
	\$ 16,717,593	\$ 11,920,766	\$ 4,796,827	\$ 4,311,164

As of September 30, 2025, the Society has incurred \$3,000,044 (2024 - \$2,390,710) of professional, development and construction costs related to the Shawnigan Lake redevelopment project, which has been recorded as development in progress. Development in progress is not amortized until the property is placed into service, at which time the property will be transferred to its appropriate asset category and amortization will commence.

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# British Columbia Lions Society for Children with Disabilities

## Notes to the Consolidated Financial Statements

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September 30, 2025

### 6. Bank indebtedness

The Society has an available bank operating line credit of \$1,500,000. As at September 30, 2025, \$1,205,000 (2024 - \$343,000) was drawn from the operating line of credit. The operating line bears interest at the bank's prime lending rate plus 0.5%. The same security is pledged for both the operating line and non-revolving loan (Note 8).

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### 7. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities as at September 30, 2025 are government remittances payable of \$16,650 (2024 - \$17,923) relating to payroll taxes, and workers' safety insurance premiums.

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### 8. Long-term debt

	<u>2025</u>	<u>2024</u>
Non-revolving loan, due November 13, 2025, payable to Bank of Nova Scotia in 60 equal monthly instalments of principal of \$12,500 plus interest at a fixed rate of 2.19%.	\$ 1,262,500	\$ 1,412,500
Current portion of long-term debt	<u>1,262,500</u>	<u>150,000</u>
	<u>\$ -</u>	<u>\$ 1,262,500</u>

Easter Seals House Society is liable for the Bank of Nova Scotia loan. The loan is secured by a first fixed charge over the Vancouver Easter Seal House land with a carrying value of \$271,228, building with a carrying value of \$3,959,910, and the rental income generated from the property with a carrying value of \$1,261,920. In addition to the requirement for monthly instalments of principal and interest, a minimum of one half of the net proceeds of the sale of any unencumbered real estate of the Society is to be applied against the non-revolving loan as a permanent reduction of principal relating to the Bank of Nova Scotia loan.

On November 13, 2025, the Society entered into an amended agreement for the non-revolving loan. The new maturity date is November 13, 2027, and the loan is payable in 23 equal monthly blended instalments of principal and interest, each in the amount of \$15,390.

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# British Columbia Lions Society for Children with Disabilities

## Notes to the Consolidated Financial Statements

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September 30, 2025

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### 9. Deferred revenue

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 88,313	\$ 124,522
Amounts received during the year	95,830	104,285
Amounts recognized to revenue during the year	<u>(138,525)</u>	<u>(140,494)</u>
Balance, end of year	<u>\$ 45,618</u>	<u>\$ 88,313</u>

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### 10. Deferred capital contributions

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 6,782,346	\$ 7,157,477
Amounts received during the year	695,474	661,230
Amounts recognized to revenue during the year	-	(300,000)
Amortization of deferred capital contributions	<u>(664,496)</u>	<u>(736,361)</u>
Balance, end of year	<u>\$ 6,813,324</u>	<u>\$ 6,782,346</u>

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The amount received during the year of \$695,474 pertains to capital campaign funds from various donors (2024 - \$661,230 from various donors) contributed to support the Camp Shawnigan Project. The amount recognized into revenue during the year is comprised of \$Nil (2024 - \$300,000) of operating costs for the camp, \$530,584 (2024 - \$599,891) for capital campaign and Camp Shawnigan redevelopment costs, and \$133,912 (2024 - \$136,469) related to amortization of Camp assets.

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### 11. Restrictions on net assets for endowments

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained in perpetuity. All investment income earned on the assets restricted for endowment purposes is unrestricted, with the exception of the Noble Bruce William Walt Endowment which requires the annual reinvestment of 8% of income earned.

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# British Columbia Lions Society for Children with Disabilities

## Notes to the Consolidated Financial Statements

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September 30, 2025

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### 12. General support expenses

Human resources and Society operating expenses of \$1,145,459 (2024 - \$1,168,747) have been allocated per Note 2 as follows:

	Allocated percentage %	2025	2024
Administration	50	\$ 572,730	\$ 584,374
Easter Seal House	9	98,761	95,613
Campaigns	14	156,100	193,673
Camps	28	317,868	295,088
	100	\$ 1,145,459	\$ 1,168,748

### 13. Remuneration of directors, employees and contractors

During the year, the Society paid total remuneration of \$816,919 (2024 - \$711,131) to eight (2024 – seven) employees, each of whom received total annual remuneration of \$75,000 or greater.

### 14. Financial instruments

The carrying amounts of financial assets measured at amortized cost are \$332,366 as at September 30, 2025 (2024 - \$799,330). The carrying amounts of financial assets measured at fair value are \$4,559,596 as at September 30, 2025 (2024 - \$4,321,511). The carrying amounts of financial liabilities measured at amortized cost are \$2,813,586 as at September 30, 2025 (2024 - \$2,130,139).

#### Liquidity risk

Liquidity risk is the risk that the Society will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts and has a line of credit to ensure that it has sufficient funds to fulfil its obligations.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Society has investments in money market funds and equity investments which are subject to risks arising from changes in market conditions.

#### Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency. The Society has investments in international bonds and equity funds which are indirectly subject to risks arising from changes in foreign currency rates related to the underlying securities.



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# **British Columbia Lions Society for Children with Disabilities**

## **Notes to the Consolidated Financial Statements**

September 30, 2025

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### **14. Financial instruments (continued)**

#### **Interest rate risk**

The Society is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Society to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Society is exposed to cash flow risk as a result of investments in bonds, money market funds and its line of credit. The risk associated with investments is managed through the Society established Investment Policy. The fixed rate long-term debt exposes the Society to a fair value risk, since fair value fluctuates inversely to changes in the market interest rates.

#### **Credit risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. The Society is exposed to credit risk with respect to the accounts receivable and its investments. The Society assesses, on a continuous basis, accounts receivable and provides an allowance for any amounts that are not collectable.

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