

PKD Foundation of Canada

Financial Statements

Year ended December 31, 2024



Independent Auditor's Report

To the Board of Directors of PKD Foundation of Canada

Qualified Opinion

We have audited the financial statements of PKD Foundation of Canada ("the Foundation"), which comprise the Statement of Financial Position as at December 31, 2024, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2024 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 Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from donations and 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, net loss, and cash flows from operations for the year ended December 31, 2024, current assets and net assets for the year then ended. Our audit opinion on the financial statements 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 Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matters

The corresponding amounts were audited by another firm of licensed public accountants who issued a qualified audit opinion dated January 30, 2025.

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 the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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.

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 Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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 achieve 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.



London, Ontario
September 18, 2025

**Chartered Professional Accountants
Licensed Public Accountants**

PKD Foundation of Canada

Statement of Financial Position as at December 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 63,489	\$ 156,284
Short-term investments (Note 2)	319,427	307,942
Accounts receivable	6,349	-
HST recoverable	25,413	20,346
Prepaid expenses	29,573	1,195
	<u>\$ 444,251</u>	<u>\$ 485,767</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 39,251	\$ 25,554
Net Assets		
Net assets	<u>405,000</u>	<u>460,213</u>
	<u>\$ 444,251</u>	<u>\$ 485,767</u>

Approved by the Directors:



Director

PKD Foundation of Canada

Statement of Changes in Net Assets Year ended December 31, 2024

	2024	2023
Net assets, beginning of year	\$ 460,213	\$ 493,083
Net loss	(55,213)	(32,870)
Net assets, end of year	\$ 405,000	\$ 460,213

PKD Foundation of Canada

Statement of Operations

Year ended December 31, 2024

	2024	2023
Revenue		
Walk to end PKD	\$ 151,489	\$ 210,893
Donations	75,962	72,501
Grants	57,500	57,072
Investment	15,525	14,911
Fundraising	10,386	7,684
	<u>310,862</u>	<u>363,061</u>
Expenses		
Wages and benefits	247,593	203,076
Fundraising	34,544	42,988
Research and partnership grants	28,729	49,372
Professional fees	21,237	15,193
Office	13,868	19,335
Education events and materials	7,054	39,415
Rent	3,578	4,850
Insurance	2,788	2,793
Telecommunications	2,377	3,901
PKD awareness	1,467	3,767
Advertising and promotion	1,318	3,159
Bank charges and interest	846	1,605
Travel	426	2,415
Memberships and licenses	250	989
Conferences	-	3,073
	<u>366,075</u>	<u>395,931</u>
Net loss	\$ (55,213)	\$ (32,870)

PKD Foundation of Canada

Statement of Cash Flows

Year ended December 31, 2024

	2024	2023
Cash provided by (used in):		
Operating activities		
Net loss	\$ (55,213)	\$ (32,870)
Change in non-cash working capital items related to operations (Note 4)	(26,098)	(22,875)
	<u>(81,311)</u>	<u>(55,745)</u>
Investing activities		
Purchase of investments	(320,890)	(457,942)
Proceeds on maturity of investments	309,406	571,665
	<u>(11,484)</u>	<u>113,723</u>
Increase (decrease) in cash	(92,795)	57,978
Cash, beginning of year	156,284	98,306
Cash, end of year	\$ 63,489	\$ 156,284

PKD Foundation of Canada

Notes to Financial Statements
December 31, 2024

Nature of Organization

PKD Foundation of Canada ("the Foundation") was incorporated without share capital under the Canada Corporations Act on July 14, 2009, and was continued under the Canada not-for-profit Corporations act on October 17, 2014. The Foundation's mission includes the promotion of programs of research, advocacy, education, support and awareness of polycystic kidney disease and improving the lives of all that the disease affects. The Foundation is a registered charity within the meaning of the Income Tax Act (Canada) and accordingly, is exempt from income taxes.

1. Significant Accounting Policies

The accompanying financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized below.

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Investment, fundraising and all other revenue is recognized as it is earned.

Cash and Cash Equivalents

Cash as disclosed on the Statement of Financial Position consists of cash on hand and balances with banks.

Contributed Services

Extensive volunteer hours are contributed each year in the operations of the net income. These services are not recognized in these financial statements due to the difficulty in determining their fair market value.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Financial Instruments

Measurement of financial instruments:

The Foundation initially measures its financial assets and financial liabilities at fair value.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Impairment:

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down and any subsequent reversal are recognized in net income.

Transaction costs:

The Foundation recognizes its transaction costs in net income in the year incurred.

PKD Foundation of Canada

Notes to Financial Statements
December 31, 2024

2. Short-Term Investments

	2024	2023
Guaranteed investment certificates and term deposits	\$ 319,427	\$ 307,942

The guaranteed investment certificates and term deposits have effective interest rates ranging from 4.70% to 5.00% (2023 - 4.75% - 5.25%), with maturity dates ranging from February 22, 2025 to May 6, 2025 (2023 - February 22, 2024 to May 31, 2024).

3. Financial Instruments Risk Management

Transactions in financial instruments may result in financial risks being assumed by the Foundation. The risks identified by the Foundation are as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the Foundation by failing to discharge its obligation or make repayment. The Foundation does not provide credit in the normal course of its operations, however, it does have receivables from programs and donors. The Foundation does not have any significant credit risk concentration.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's GICs and term deposits are at market interest rates. Accordingly, the Foundation's exposure to interest rate risk is dependent upon future market rates compared to rates currently established.

Other Risks

The Foundation is not exposed to significant currency, liquidity or market risk.

There have been no significant changes in the nature, extent or concentration of the risk exposures from the prior year.

4. Statement of Cash Flows

The change in non-cash working capital balances related to operations referred to in the statement is determined as follows:

	2024	2023
Accounts receivable	\$ (6,349)	\$ 1,175
Government remittances recoverable	-	856
Prepaid expenses	(28,378)	9,721
HST recoverable	(5,067)	(13,307)
Accounts payable and accrued liabilities	13,696	(14,248)
Deferred revenue	-	(7,072)
Net change	\$ (26,098)	\$ (22,875)

5. Reclassifications

Certain of the corresponding figures for the preceding year have been reclassified to conform with the statement presentation adopted for the current year. These changes do not affect the prior year's net loss.