

Leucan inc.
Financial Report
March 31, 2025

Independent Auditor's Report	1 - 3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 15
Additional Information	
Schedule A - Government programs	16
Schedule B - Investment revenue	16
Schedule C - Services to children and their families	16
Schedule D - Administrative fees	16

Independent Auditor's Report

To the Members of
Leucan inc.,

Qualified Opinion

We have audited the financial statements of **Leucan inc.** (the Organization), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, 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.

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 Organization 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenue was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations, deficiency of revenue over expenses and cash flows from operating activities for the years ended March 31, 2025 and 2024, assets as at March 31, 2025 and 2024, and net assets as at March 31, 2025 and 2024.

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 qualified audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

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 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.

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.

A handwritten signature in black ink, reading "Pierre Raymond". The signature is fluid and cursive, with the first name "Pierre" and last name "Raymond" clearly distinguishable.

Chartered Professional Accountant Partnership LLP

Montréal, Québec
May 28, 2025

¹ By CPA auditor, public accountancy permit No. A136554

Leucan inc.**Statement of Operations****Year ended March 31, 2025****4**

	<u>2025</u>	<u>2024</u>
Revenue		
Donations and financing activities	\$ 10,848,814	\$ 12,033,886
Bequests	747,477	115,495
Government programs (Schedule A)	134,227	160,772
Investment revenue (Schedule B)	340,005	311,494
Other revenue	<u>14,323</u>	<u>8,168</u>
	<u>12,084,846</u>	<u>12,629,815</u>
Expenses		
Financing activities (Note 10)	1,873,574	2,261,744
Salaries and employee benefits related to financing activities	<u>2,604,558</u>	<u>2,408,300</u>
	<u>4,478,132</u>	<u>4,670,044</u>
Gross excess of revenue over expenses	<u>7,606,714</u>	<u>7,959,771</u>
Other expenses		
Services to children and their families (Schedule C)	4,921,166	5,157,993
Grant for clinical research	1,384,211	1,367,501
Administrative fees (Schedule D)	1,173,387	1,241,951
Rent and other office expenses related to promotion and development	429,230	485,164
Communications (Note 10)	<u>566,077</u>	<u>596,522</u>
	<u>8,474,071</u>	<u>8,849,131</u>
Deficiency of revenue over expenses before the following	<u>(867,357)</u>	<u>(889,360)</u>
Amortization of lease inducements related to fixed assets	26,874	26,873
Depreciation of fixed and intangible assets	<u>(74,158)</u>	<u>(91,302)</u>
	<u>(47,284)</u>	<u>(64,429)</u>
Deficiency of revenue over expenses	<u>\$ (914,641)</u>	<u>\$ (953,789)</u>

Leucan inc.

Statement of Changes in Net Assets

Year ended March 31, 2025

5

	Invested in fixed assets (Note 9)	Québec pediatric oncology centres	Special projects	Sustainability fund	Unrestricted	2025 Total	2024 Total
Balance, beginning of year	\$ 265,178	\$ 1,041,500	\$ 550,000	\$ 2,500,000	\$ 1,502,551	\$ 5,859,229	\$ 6,813,018
Deficiency of revenue over expenses	(101,290)	-	(114,551)	-	(698,800)	(914,641)	(953,789)
Additions to fixed assets	108,426	-	-	-	(108,426)	-	-
Internally restricted (Note 9)	-	13,300	-	-	(13,300)	-	-
Balance, end of year	<u>\$ 272,314</u>	<u>\$ 1,054,800</u>	<u>\$ 435,449</u>	<u>\$ 2,500,000</u>	<u>\$ 682,025</u>	<u>\$ 4,944,588</u>	<u>\$ 5,859,229</u>

Certain contributions received during the year require that the Organization's balance of unrestricted net assets does not exceed 25% of its annual expenses. This requirement has been met as at March 31, 2025.

Leucan inc.

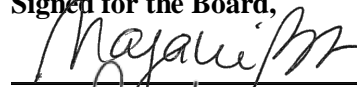
Statement of Financial Position

As at March 31, 2025

6

	2025	2024
Current assets		
Cash	\$ 1,352,088	\$ 1,740,852
Accounts receivable	299,496	229,270
Prepaid expenses	406,687	249,244
Current portion of investments (Note 4)	1,051,279	418,742
	<u>3,109,550</u>	<u>2,638,108</u>
Investments (Note 4)	2,920,006	4,520,531
Surrender value of life insurance policies	167,492	162,571
Fixed assets (Note 5)	189,296	214,710
Intangible assets (Note 6)	4,007	21,031
Assets for implementation of software services	<u>110,364</u>	<u>87,664</u>
	<u>3,391,165</u>	<u>5,006,507</u>
Total assets	\$ 6,500,715	\$ 7,644,615
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 1,201,339	\$ 1,200,990
Deferred revenue	43,753	25,100
	<u>1,245,092</u>	<u>1,226,090</u>
Lease inducements	38,297	60,661
Lease inducements related to fixed assets	31,353	58,227
Deferred contributions (Note 8)	<u>241,385</u>	<u>440,408</u>
	<u>311,035</u>	<u>559,296</u>
Total liabilities	<u>1,556,127</u>	<u>1,785,386</u>
Net assets		
Internally restricted (Note 9)		
Invested in fixed assets	272,314	265,178
Québec pediatric oncology centres	1,054,800	1,041,500
Special projects	435,449	550,000
Sustainability fund	2,500,000	2,500,000
Unrestricted	682,025	1,502,551
	<u>4,944,588</u>	<u>5,859,229</u>
Total liabilities and net assets	<u>\$ 6,500,715</u>	<u>\$ 7,644,615</u>

Signed for the Board,

 _____, Director

 _____, Director

Leucan inc.

Statement of Cash Flows

Year ended March 31, 2025

7

	<u>2025</u>	<u>2024</u>
Operating activities		
Deficiency of revenue over expenses	\$ (914,641)	\$ (953,789)
Non-cash items:		
Donations in shares	(25,666)	(20,180)
Profit on disposal of investments	(260,525)	(80,829)
Change in fair value of investments	65,391	(94,448)
Change surrender value of life insurance policies	(4,921)	(19,333)
Amortization of fixed assets	76,678	91,303
Amortization of intangible assets	17,024	25,470
Amortization of assets for implementation of software services	34,462	41,112
Amortization of lease inducements	(26,324)	(20,974)
Amortization of lease inducements related to fixed assets	(26,874)	(26,873)
Deferred contributions recognized as revenue (Note 8)	<u>(365,905)</u>	<u>(378,517)</u>
	(1,431,301)	(1,437,058)
Assets for implementation of software services	(57,162)	(82,003)
Lease inducements	3,960	2,640
Deferred contributions received (Note 8)	166,882	144,905
Net change in non-cash items related to operating activities (Note 13)	<u>(208,667)</u>	<u>(84,833)</u>
	<u>(1,526,288)</u>	<u>(1,456,349)</u>
Investing activities		
Investment acquisition	(683,538)	(736,798)
Disposal of investments	1,872,326	1,550,891
Addition to fixed assets	(51,264)	(33,289)
Acquisition of intangible assets	<u>-</u>	<u>(4,246)</u>
	<u>1,137,524</u>	<u>776,558</u>
Net decrease in cash	(388,764)	(679,791)
Cash, beginning of year	<u>1,740,852</u>	<u>2,420,643</u>
Cash, end of year	<u>\$ 1,352,088</u>	<u>\$ 1,740,852</u>

1. Incorporation and nature of activities

Leucan inc. is a not-for-profit organization incorporated under Part III of the Québec Companies Act and works to promote the well-being, healing and recovery of children living with cancer and to support their families. It is a registered charity under the Income Tax Act.

2. First-time adoption*Cloud computing arrangements*

On April 1, 2024, the Organization adopted the new accounting guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements Accounting, which provides guidance on accounting for a customer's expenditures in a cloud computing arrangement and determining whether a software intangible asset exists in the arrangement.

When entering into a cloud computing arrangement with a supplier, the Organization allocates the consideration for the arrangement to all significant separable elements based on their specific selling price. Expenditures on property, plant and equipment and right to use a tangible asset are accounted for in accordance with the accounting policies applicable to these items. To account for expenditures related to these arrangements that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Organization has chosen not to apply the simplification approach. It therefore determines whether the software component of the arrangement constitutes a software intangible asset or a software service (any software component of the arrangement that does not meet the definition of an intangible asset and the criteria for recognition as an intangible asset is a software service).

When the software component of the cloud computing arrangement does not constitute a software intangible asset, the Organization treats it as service software and accounts the related costs as incurred. In the case of implementation-related expenditures that are directly attributable to preparing the service software for its intended use, the Organization has chosen to record them as assets for implementation of software services in a separate line item on the statement of financial position, and to account them on a straight-line basis over the expected period of access to the service software. These assets are tested for impairment in accordance with the Organization's impairment method. These assets are classified as non-current assets unless, at the inception of the cloud computing arrangement, the expected period of access to the software as a service is within one year of the date of the statement of financial position. Implementation costs not directly attributable to the preparation of the software as a service are accounted as incurred.

When the software component of the cloud computing arrangement constitutes a software intangible asset, the Organization recognizes the software component as an intangible asset. In the event that there are expenditures related to implementation activities that are directly attributable to preparing the intangible asset for its intended use, the Organization records them as part of the cost of the software intangible asset. Intangible assets are measured at cost less accumulated amortization and any impairment losses. They are amortized on a straight-line basis over their estimated useful lives. Implementation costs not directly attributable to the preparation of the software intangible asset are accounted as incurred. The cloud computing arrangements in force at March 31, 2025 did not include any component constituting a software intangible asset.

2. First-time adoption (continued)

The net book value recorded as assets for implementation of software services amounts to \$110,364 as at March 31, 2025 (\$87,664 in 2024). These assets are accounted on a straight-line basis over five years, with an expense of \$34,462 recorded in 2025 (\$41,112 which had originally been presented as depreciation of fixed and intangible assets in 2024).

The amount accounted for software services related to cloud computing arrangements is \$84,456 in 2025 (\$59,063 in 2024). These expenses are presented under financing activities, rent and other office expenses included in "Services to families" and "Administrative fees", as well as rent and other office expenses related to promotion and development in the statement of operations.

The first-time adoption of this new accounting guideline had no impact on the deficiency of revenue over expenses of the Organization for the year ended March 31, 2025, and no other impact on its net assets at the transition date of April 1, 2023. As at March 31, 2024, an amount of \$87,664 has been reclassified from intangible assets to assets for implementation of software services.

3. Significant accounting policies*Authoritative accounting pronouncements*

The Organization applies the Canadian Accounting Standards for the Not-for-Profit Organizations, hereafter referred to as "ASNPO" under Part III of CPA Canada Handbook – Accounting.

Contributions recognition

The Organization follows the deferral method of accounting for contributions (donations and financing activities, bequests and government programs). 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.

Revenue recognition

Revenue from financing activities (registrations, sponsorships and other) is recognized at the date of the event. Deferred revenue represents receipts for events that will take place in the next fiscal year.

Investment and other revenue are recognized as they are earned.

Contributions received in the form of services or goods

Contributions received in the form of services or goods are recorded at fair value when it can be reasonably estimated and that the Organization would otherwise have had to acquire them in the normal course of activities. They consist of securities traded on public markets and are valued at fair value of the markets on which they are traded at the time of transfer of the securities.

Allocation of expenses

The Organization allocates expenses directly to the accounts of the activities to which they relate. General management salaries and employee benefits, as well as rent and other office expenses, are allocated on the basis of payroll by department.

3. Significant accounting policies (continued)*Foreign exchange*

The Organization uses the temporal method to record its foreign currency transactions. Under this method, monetary items are translated at the rate of exchange in effect at the statement of financial position date, non-monetary items are translated at the historical exchange rate while revenue and expenses are translated at the rate of exchange in effect on the dates they occur. Gains or losses resulting from these translations are reflected in the statement of operations.

Fixed assets

Fixed assets are accounted for at cost. Amortization is calculated using the straight-line method over the following periods:

	Periods
Furniture and equipment	10 years
Computer equipment	5 years
Leasehold improvements	Term of lease

Intangible assets

Intangible assets are recorded at cost and amortized on a straight-line basis over three years.

Impairment of long-term assets

Long-term assets are tested for impairment whenever events or changes in circumstances indicate that there are no more potential service for the Organization. An impairment loss is recognized when the carrying amount of the asset exceeds the residual value. The impairment loss is measured as the amount by which the carrying amount of the long-term asset exceeds its residual value.

Lease inducements

Lease incentives represent months of free rent granted by the landlord when signing lease agreements for the premises and are amortized over the term of the lease.

Lease inducements related to fixed assets

Lease inducements related to fixed assets are amortized over the estimated useful life of the related fixed assets.

*Financial instruments**Valuation*

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, with exception of its investments that are evaluated at fair value which is determined using the closing price as at March 31, 2025 or at the fair value provided by the managers for the other investments. The change in fair value of investments is recorded in the statement of revenue.

The financial assets measured at amortized cost using the straight-line method include cash and accounts receivable.

Leucan inc.

Notes to Financial Statements

March 31, 2025

11

3. Significant accounting policies (continued)

Financial instruments (continued)

Valuation (continued)

The financial liabilities measured at amortized cost using the straight-line method include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvements, either directly or by adjusting the allowance account provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Use of estimates

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. Significant areas which require more estimates include the net realizable value and fair value of financial instruments and estimated useful life of fixed assets and assets for implementation of software services. Actual results could differ from these estimates.

4. Investments

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash with broker	\$ 13,298	\$ 13,298	\$ 26,366	\$ 26,366
Money market funds	36,762	36,762	-	-
Canadian equity funds	93,992	98,135	59,275	78,589
Bonds, bearing interest at rates varying between 0.9% and 5.5%, maturing up to November 2034	3,058,812	3,164,354	3,681,827	3,639,428
Canadian and foreign shares	583,089	658,736	921,082	1,194,890
	3,785,953	3,971,285	4,688,550	4,939,273
Current portion of investments	1,041,289	1,051,279	420,084	418,742
	<u>\$ 2,744,664</u>	<u>\$ 2,920,006</u>	<u>\$ 4,268,466</u>	<u>\$ 4,520,531</u>

Leucan inc.

Notes to Financial Statements

March 31, 2025

12

5. Fixed assets

	2025		2024	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Furniture and equipment	\$ 145,152	\$ 98,958	\$ 46,194	\$ 57,898
Computer equipment	234,013	136,205	97,808	75,328
Leasehold improvements	<u>363,890</u>	<u>318,596</u>	<u>45,294</u>	<u>81,484</u>
	<u>\$ 743,055</u>	<u>\$ 553,759</u>	<u>\$ 189,296</u>	<u>\$ 214,710</u>

6. Intangible assets

	2025		2024	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Website	<u>\$ 81,423</u>	<u>\$ 77,416</u>	<u>\$ 4,007</u>	<u>\$ 21,031</u>

7. Accounts payable and accrued liabilities

	<u>2025</u>	<u>2024</u>
Accounts payable and accrued liabilities	\$ 418,265	\$ 431,957
Salaries and vacation payable	<u>783,074</u>	<u>769,033</u>
	<u>\$ 1,201,339</u>	<u>\$ 1,200,990</u>

8. Deferred contributions

Changes in deferred contributions are as follows:

	<u>40 Giants for Leucan</u>	<u>Others</u>	<u>2025</u>	<u>2024</u>
Balance, at beginning of year	\$ 340,000	\$ 100,408	\$ 440,408	\$ 674,020
Deferred contributions received	-	166,882	166,882	144,905
Deferred contributions recognized as revenue	<u>(340,000)</u>	<u>(25,905)</u>	<u>(365,905)</u>	<u>(378,517)</u>
Balance, at end of year	<u>\$ -</u>	<u>\$ 241,385</u>	<u>\$ 241,385</u>	<u>\$ 440,408</u>

Other deferred contributions are intended to cover the expenses in future years.

Leucan inc.

Notes to Financial Statements

March 31, 2025

13

9. Internally restricted

Invested in fixed assets

The Board of directors decided to restrict, internally, the amount invested in fixed and intangible assets, to include the amount invested in the asset for implementation of software services, and to present it net of lease inducements related to fixed assets.

Québec pediatric oncology centres

In previous fiscal years, the Board of directors has decided to restrict an amount in order to ensure stability in the financial support given by the Organization to Québec pediatric oncology centres.

On May 28, 2025, the Board of directors decided, retroactive to March 31, 2025, to internally allocate an additional \$13,300 for financial support to Québec pediatric oncology centres.

Special projects

In previous fiscal years, the Board of directors had decided to restrict an amount for special projects to come in the next fiscal years. During the year, projects for a total amount of \$114,551 were carried out.

Sustainability fund

In previous fiscal years, the Board of directors has decided to restrict an amount to guarantee the continuity of the Organization's activities in the event of a deficit year.

10. Operating expenses

Expenses related to financing activities as well as the "Communications" item include respective amounts of \$19,544 and \$Nil for the amortization of fixed and intangible assets (\$16,501 and \$8,970 in 2024).

11. Commitments

The commitments of the Organization under partnerships with hospitals to fund clinical research, head office and regional lease agreements and other service contracts maturing on various dates until January 2029 amounts to \$2,415,516. The instalments over the next four years are the following:

	<u>Hospitals</u>	<u>Offices</u>	<u>Others</u>	<u>Total</u>
2026	\$ 803,333	\$ 376,719	\$ 48,764	\$ 1,228,816
2027	\$ 656,667	\$ 119,442	\$ 45,157	\$ 821,266
2028	\$ 255,000	\$ 45,154	\$ 37,741	\$ 337,895
2029	\$ -	\$ 10,069	\$ 17,470	\$ 27,539

12. Financial instruments*Risks and concentrations*

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentration at the balance sheet, as at March 31, 2025. There have been no changes in risks since last year.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable.

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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is exposed to all those risks.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at March 31, 2025, foreign shares totalling \$372,084 (\$511,373 in 2024) denominated in US dollars and converted into Canadian dollars, are exposed to fluctuation of this currency.

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 Organization is exposed to interest rate risk on its fixed interest rates financial instruments (bonds) which subject the Organization to a fair value risk since fair value varies inversely with changes in market interest rates.

Other price risk

Other price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments money market and equity funds, Canadian and foreign shares and life insurance policies. The Organization's investment policy limits the other price risk by limiting the maximum number of cash and cash equivalents, fixed income securities, shares and other equity investments that can be held. The risk and volatility of investment returns are reduced by the fact that the investments are allocated among different countries, sectors and investment types.

Leucan inc.

Notes to Financial Statements

March 31, 2025

15

13. Net change in non-cash items related to operating activities

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ (70,226)	\$ (113,519)
Prepaid expenses	(157,443)	235,720
Accounts payable and accrued liabilities	349	(17,912)
Deferred revenue	<u>18,653</u>	<u>(189,122)</u>
	<u>\$ (208,667)</u>	<u>\$ (84,833)</u>

14. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statements presentation adopted in the current year.

Leucan inc.

Additional Information

Year ended March 31, 2025

16

	<u>2025</u>	<u>2024</u>
Schedule A		
Government programs		
Government programs – Provincial		
Programme de soutien aux organismes communautaires (PSOC)	\$ 129,227	\$ 125,830
Programme de soutien financier en matière de conciliation famille-travail destiné aux milieux de travail	-	25,742
Government programs – Municipal	5,000	5,000
Other	<u>-</u>	<u>4,200</u>
	<u>\$ 134,227</u>	<u>\$ 160,772</u>

Schedule B

Investment revenue

Interest, dividends and other	\$ 144,871	\$ 136,217
Profit on disposal of investments	260,525	80,829
Change in fair value of investments	<u>(65,391)</u>	<u>94,448</u>
	<u>\$ 340,005</u>	<u>\$ 311,494</u>

Schedule C

Services to children and their families

Salaries and employee benefits	\$ 2,128,610	\$ 2,061,273
Financial assistance	1,196,070	1,226,993
Summer camp and organization of activities	582,735	729,099
Rent and other office expenses (Note 10)	300,513	340,899
Support for hospitals	203,131	205,961
Massotherapy	177,829	225,583
Sensitization and promoting awareness	141,519	149,131
Operating costs	113,794	137,083
Information Center	<u>76,965</u>	<u>81,971</u>
	<u>\$ 4,921,166</u>	<u>\$ 5,157,993</u>

Schedule D

Administrative fees

Salaries and employee benefits	\$ 971,227	\$ 986,632
Rent and other office expenses (Note 10)	150,303	182,892
Investment management fees	27,006	30,791
Committee fees	<u>24,851</u>	<u>41,636</u>
	<u>\$ 1,173,387</u>	<u>\$ 1,241,951</u>