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**ENACTUS CANADA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Enactus Canada,

### Opinion

We have audited the financial statements of Enactus Canada (the organization), which comprise the statement of financial position as at June 30, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Enactus Canada as at June 30, 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 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 opinion.

### 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.

## 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 your 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.

*Pennylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

November 18, 2025  
Toronto, Ontario

**ENACTUS CANADA****STATEMENT OF FINANCIAL POSITION****AS AT JUNE 30, 2025**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 95,061	\$ 352,928
Marketable securities (note 3)	1,945,732	1,889,871
Amounts receivable	203,990	76,800
HST rebate recoverable	33,581	47,317
Prepaid expenses	<u>91,059</u>	<u>39,238</u>
	2,369,423	2,406,154
Long-term assets		
Capital assets (note 4)	<u>5,521</u>	<u>6,901</u>
	<u><u>\$ 2,374,944</u></u>	<u><u>\$ 2,413,055</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 276,794	\$ 318,735
Deferred contributions (note 5)	<u>335,661</u>	<u>350,661</u>
	<u>612,455</u>	<u>669,396</u>
Net assets		
Endowment (note 7)	100,000	100,000
Unrestricted	<u>1,662,489</u>	<u>1,643,659</u>
	<u>1,762,489</u>	<u>1,743,659</u>
	<u><u>\$ 2,374,944</u></u>	<u><u>\$ 2,413,055</u></u>

Approved on behalf of the Board:



\_\_\_\_\_, Director



\_\_\_\_\_, Director

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see accompanying notes

**ENACTUS CANADA****STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED JUNE 30, 2025**

		<b>2025</b>	<b>2024</b>
	Unrestricted	Endowment (note 7)	Total
Balance, beginning of year	\$ 1,643,659	\$ 100,000	\$ 1,743,659
Excess of revenue over expenses for the year	<u>18,830</u>	<u>-</u>	<u>18,830</u>
Balance, end of year	<u><u>\$ 1,662,489</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 1,762,489</u></u>
			<u><u>\$ 1,743,659</u></u>

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see accompanying notes

**ENACTUS CANADA****STATEMENT OF OPERATIONS****FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025</b>	<b>2024</b>
<b>REVENUE</b>		
Contributions (note 8)	\$ 2,671,043	\$ 2,760,942
Investment income (note 10)	81,301	123,687
Other	<u>4,833</u>	<u>22,647</u>
	<u><u>2,757,177</u></u>	<u><u>2,907,276</u></u>
<b>EXPENSES</b>		
<b>Program</b>		
Personnel	869,128	824,660
Expositions	487,650	579,778
Bursaries and grants	366,720	422,775
Occupancy costs	50,296	39,476
Other (note 9)	449,264	295,767
<b>Administration</b>		
Professional fees	108,858	65,420
Personnel	41,144	239,772
Occupancy costs	21,555	29,617
Office and general	6,632	15,488
Amortization	1,380	3,838
<b>Fundraising</b>		
Personnel	284,436	324,182
Technology	<u>51,284</u>	<u>29,649</u>
	<u><u>2,738,347</u></u>	<u><u>2,870,422</u></u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b><u>\$ 18,830</u></b>	<b><u>\$ 36,854</u></b>

**ENACTUS CANADA****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 18,830	\$ 36,854
Add back (deduct) non-cash items -		
Amortization of capital assets	1,380	3,838
Change in unrealized gains on marketable securities	(30,020)	(47,389)
Net change in non-cash working capital items (see below)	<u>(222,216)</u>	<u>(277,348)</u>
Net cash used for operating activities	<u>(232,026)</u>	<u>(284,045)</u>
<b>INVESTING ACTIVITIES</b>		
Mutual funds purchased	(2,047,665)	(1,720,000)
Proceeds from sale of mutual funds	1,547,824	897,373
Guaranteed investment certificates purchased	-	(974,000)
Guaranteed investment certificates redeemed	<u>474,000</u>	<u>2,380,295</u>
Net cash generated from (used for) investing activities	<u>(25,841)</u>	<u>583,668</u>
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	<b>(257,867)</b>	<b>299,623</b>
Cash, beginning of year	<u>352,928</u>	<u>53,305</u>
<b>CASH, END OF YEAR</b>	<b><u>\$ 95,061</u></b>	<b><u>\$ 352,928</u></b>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ (127,190)	\$ 108,075
HST rebate recoverable	13,736	84,158
Prepaid expenses	(51,821)	23,399
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(41,941)	(3,941)
Deferred contributions	<u>(15,000)</u>	<u>(489,039)</u>
	<u><b>\$ (222,216)</b></u>	<u><b>\$ (277,348)</b></u>

# ENACTUS CANADA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

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Enactus Canada (the organization) is continued under the Canada Not-for-profit Corporations Act without share capital. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization's purpose is to ignite the potential of Canada's future leaders to drive positive social, environmental, and economic impact, by empowering their entrepreneurial mindset.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

#### **Revenue recognition**

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

##### *Contributions*

The Committee follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Unrestricted contributions are recorded when received. Externally restricted contributions to the endowment are recorded as direct increases to endowed net assets when received.

##### *Contributed materials and services*

Contributed materials and services which are normally purchased by the organization, are not recorded in the accounts.

##### *Investment income*

Investment income, which includes interest dividends realized gains and changes in unrealized gains, is recorded in the statement of operations when earned, except to the extent that it relates to endowed marketable securities, which is added directly to endowment net assets.

##### *Other revenue*

Other revenue includes registration fees, which are recognized as revenue when the related event takes place.

#### **Capital Assets**

Capital asset purchases are recorded at cost and amortized on a straight-line basis over 3 years.

#### **Allocation of expenses**

Personnel, rent and travel expenses are allocated based on the time spent on program, administration and fundraising.

### 2. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, marketable securities, amounts receivable, accounts payable and accrued liabilities. Marketable securities include mutual funds and guaranteed investment certificates. Mutual funds are recorded at fair value. Guaranteed investment certificates are recorded at cost plus accrued interest, which approximates fair value. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

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# ENACTUS CANADA

## NOTES TO THE FINANCIAL STATEMENTS

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### 3. MARKETABLE SECURITIES

Marketable securities consist of the following:

	2025	2024
Mutual funds	\$ 1,418,514	\$ 868,482
Guaranteed investment certificates	<u>527,218</u>	<u>1,021,389</u>
	<u>\$ 1,945,732</u>	<u>\$ 1,889,871</u>

Guaranteed investment certificates bear interest rates ranging from 4.58% to 5.71% and mature between August 2025 and February 2029.

### 4. CAPITAL ASSETS

Capital assets comprise the following:

	Cost	Accumulated Amortization	2025 Net	2024 Net
Computer equipment	\$ 39,550	\$ (34,029)	\$ 5,521	\$ 6,901

### 5. BANK LINE OF CREDIT

The organization has an unsecured line of credit to a maximum of \$100,000. Interest on the line of credit is calculated at 6.45% per annum. There was no outstanding balance as at June 30, 2025 (\$nil as at June 30, 2024).

### 6. DEFERRED CONTRIBUTIONS

Continuity of deferred contributions for the year is as follows:

	2025	2024
Deferred contributions, beginning of year	\$ 350,661	\$ 839,700
Add cash received from contributions	2,656,043	2,271,903
Less contribution revenue recognized (note 8)	<u>(2,671,043)</u>	<u>(2,760,942)</u>
Deferred contributions, end of year	<u>\$ 335,661</u>	<u>\$ 350,661</u>

### 7. ENDOWMENT

Endowed net assets represent resources, which are required to be maintained in perpetuity by the organization. Annual investment income earned on endowed investments, up to \$2,500, must be used for bursary purposes and any investment income in excess of \$2,500 is unrestricted as to use. During the year, the organization reported investment income of \$2,500 on endowed investments and paid \$2,500 from endowment net assets for bursary purposes (same in 2024).

# ENACTUS CANADA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

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### 8. CONTRIBUTIONS

Contributions were received from the following sources in the year:

	2025	2024
Foundations	\$ 1,312,012	\$ 1,103,586
Corporations	1,216,521	1,423,425
Individuals	99,736	125,507
Governments	<u>42,774</u>	<u>108,424</u>
	<u><u>\$ 2,671,043</u></u>	<u><u>\$ 2,760,942</u></u>

### 9. OTHER PROGRAM EXPENSES

Other program expenses are as follows:

	2025	2024
Enactus World Cup and global support	\$ 246,801	\$ 124,947
Operations and information technology	82,870	63,186
Student training	69,836	76,533
Communications	44,337	26,592
Alumni engagement	<u>5,420</u>	<u>4,509</u>
	<u><u>\$ 449,264</u></u>	<u><u>\$ 295,767</u></u>

### 10. INVESTMENT INCOME

Investment income for the year was as follows:

	2025	2024
Dividends	\$ 50,141	\$ 49,760
Change in unrealized gains	30,020	47,389
Interest	1,140	5,861
Realized gains	<u>-</u>	<u>20,677</u>
	<u><u>\$ 81,301</u></u>	<u><u>\$ 123,687</u></u>

### 11. LEASE COMMITMENT

The organization rents office space under a lease agreement which expires on July 31, 2026. Minimum yearly rent payments, on a fiscal year basis, are as follows:

2026	\$ 41,451
2027	3,200