Dystonia Medical Research Foundation Canada

Financial Statements

December 31, 2025

Chaplin & co

Dystonia Medical Research Foundation Canada

Financial Statements

December 31, 2025

Index

August 18, 2026

Independent Auditors' Report

To the members of Dystonia Medical Research Foundation Canada:

Opinion

We have audited the financial statements of Dystonia Medical Research Foundation Canada, which comprise the balance sheet as at December 31, 2025, and the statements of changes in fund balances, 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 Dystonia Medical Research Foundation Canada as at December 31, 2025, and its financial performance 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Dystonia Medical Research Foundation Canada 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 Dystonia Medical Research Foundation Canada'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 Dystonia Medical Research Foundation Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Dystonia Medical Research Foundation Canada financial reporting process.

Roger Chaplin CPA, CA LPA MA (Oxon) Matthew Chaplin CPA, CA, HBBA

Chaplin & Co LLP Chartered Professional Accountants • 1110 Finch Avenue West Suite 710 Toronto Ontario M3J 2T2

Telephone 416 667 7060 Facsimile 416 663 3746 *e* cpa@chaplinco.com www.chaplinco.com

Auditors' 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 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 Dystonia Medical Research Foundation Canada'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 Dystonia Medical Research Foundation Canada'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 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 Dystonia Medical Research Foundation Canada 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.

Chaplin & Co. LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario

Dystonia Medical Research Foundation Canada

	Notes	December 31 2025	December 31 2024
Assets			
Current			
Cash and cash equivalents		$ 370,079	$ 277,789
Short-term investments		-	68,013
Amounts receivable		24,668	34,934
Public Service Bodies rebate recoverable		5,010	3,816
Prepaid expenses		11,556	10,874
		411,313	395,426
Investments	3	623,423	557,262
		$ 1,034,736	$ 952,688
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 17,152	$ 51,081
Deferred contributions	4	220,080	139,648
		237,232	190,729
Fund balances			
General Fund		36,504	761,959
Operating Reserve Fund		200,000	-
Research Reserve Fund		561,000	-
		797,504	761,959
		$ 1,034,736	$ 952,688

See accompanying notes

Approved on behalf of the Board of Directors of Dystonia Medical Research Foundation:

Pearl Schusheim, Director

Catherine Mulkins, Director

Chaplin & co

Year ended December 31, 2025

	Note	General Fund	Operating Reserve Fund	Research Reserve Fund	Total
Balance, beginning for the year		$ 761,959	$ -	$ -	$ 761,959
Excess of revenue over expenses		35,545	-	-	35,545
Inter-fund transfer	2	(761,000)	200,000	561,000	-
Balance, end of year		$ 36,504	$ 200,000	$ 561,000	$ 797,504

Year ended December 31, 2024

	General Fund	Operating Reserve Fund	Research Reserve Fund	Total
Balance, beginning for the year	$ 721,373	$ -	$ -	$ 721,373
Excess of revenue over expenses	40,586	-	-	40,586
Balance, end of year	$ 761,959	$ -	$ -	$ 761,959

See accompanying notes

	Notes	December 31 2025	2024
Revenue			
Contributions	4	$ 340,006	$ 373,529
Provincial gaming revenue	4	60,559	23,731
Interest, dividends and mutual fund income		21,248	32,847
Realized gains on sale of investments		10,952	4,274
Unrealized gains on investments		41,722	60,583
Other income		915	372
		475,402	495,336
Expenses (note 5)			
Research grants and activities		213,645	228,286
Awareness, education and services		109,620	96,502
Fundraising		54,263	73,117
Administrative and professional		47,744	37,433
Advocacy		14,585	18,687
Governance		-	725
		439,857	454,750
Excess of revenue over expenses for the year		$ 35,545	$ 40,586

See accompanying notes

	Year ended December 31 2025	2024
Cash provided by (used in):		
Operations		
Excess of revenue over expenses for the year	$ 35,545	$ 40,586
Non-cash items		
Realized gains on sale of investments	(10,952)	(4,274)
Unrealized gains on investments	(41,722)	(60,583)
	(17,129)	(24,271)
Change in non-cash working capital		
Amounts receivable	10,266	(18,037)
Public Service Bodies rebate recoverable	(1,194)	96
Prepaid expenses	(682)	(1,325)
Accounts payable and accrued liabilities	(33,929)	35,971
Deferred contributions	80,432	(5,260)
	37,764	(12,826)
Investing		
Proceeds from sale of investments	257,090	114,104
Purchase of investments	(202,564)	(155,968)
	54,526	(41,864)
Change in cash and cash equivalents during the year	92,290	(54,690)
Cash and cash equivalents, beginning of year	277,789	332,479
Cash and cash equivalents, end of year	$ 370,079	$ 277,789

See accompanying notes

Dystonia Medical Research Foundation Canada, which was incorporated without share capital under the laws of Canada on July 17, 1985, provides medical research grants, creates awareness through educational materials and symposiums, and sponsors support groups for patients and their families.

As a registered charity, Dystonia is exempt from income taxes.

1. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Restricted fund accounting

The financial statements have been prepared using the restricted fund method of accounting for contributions as follows:

General Fund

The General Fund accounts for the Dystonia's program delivery, administrative activities, and unrestricted contributions and expenditures.

Internally restricted funds

Operating Reserve Fund

The Board of Directors has established this fund to provide financial stability and to support the continuity of operations. The target balance of the fund is an amount sufficient to cover approximately six months of budgeted salaries and administrative expenses for the following fiscal year. Transfers to or from the fund are approved annually by the Board of Directors to maintain the reserve at its target level.

Research Reserve Fund

The Board of Directors has established this fund to support existing and future research commitments. Transfers to or from the fund are approved by the Board of Directors based on research funding priorities and commitments.

Measurement of financial instruments

Dystonia initially measures its financial assets and liabilities at fair value. Dystonia subsequently measures all its financial assets and liabilities at amortized cost, except for marketable securities that are quoted in an active market. Financial assets measured at amortized cost include cash, amounts receivable and Public Service Bodies rebate recoverable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Financial assets measured at fair market value include investments.

Financial assets measured 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 indication of impairment Dystonia determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and recognizes an impairment loss if the carrying value of the asset is greater than the higher of present value of the expected future cash flows, the amount that can be realized by selling the asset or the amount Dystonia 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.

1. **Summary of significant accounting policies** (continued)

Cash and cash equivalents
Cash and cash equivalents are made up mostly of unrestricted cash and short-term investments with original maturity of less than 3 months or less from the date of acquisition.

Investments
Investments consist of funds invested in guaranteed investment certificates, fixed income and equity securities, which are carried at fair market value.

Investments with maturities between 3 and 12 months are classified as current.

Investment income which consists of interest, reinvested dividend distributions from index pooled funds and unrealized and realized gains and losses on the sale of marketable securities are recorded in the statement of operations as earned.

Revenue recognition
Dystonia follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and 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, including donations and amounts received from fundraising are recognized in revenue when received.

Government subsidies and other income are recorded in income when received or receivable.

Allocation of expenses
Dystonia allocates administrative expenses to fundraising and programming based on actual personnel time spent.

Contributed services
The value of donated goods and services is recorded as revenue and an expense in the financial statements when the fair value can be reasonably estimated and when the goods and services are normally purchased and would be paid for if not donated. Dystonia benefits substantially from services in the form of volunteer time. The value of volunteer services is not recorded in these financial statements.

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 the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Such estimates include the deferred contributions and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Change in accounting policy

During the year, the Board of Directors approved the establishment of an operating reserve fund and a research reserve fund. These funds have been internally restricted by the Board of Directors and are not subject to externally imposed restrictions. Accordingly, the Board of Directors may approve the use of these amounts for other purposes.

Subsequent to the year-end, the Board approved the transfer of $200,000 to the operating reserve fund and $561,000 to the research reserve fund, which is reflected in Statement of Changes in Fund Balances.

3. Investments

	2025		2024	
	Cost	Market value	Cost	Market value
Guaranteed Investment Certificates	$ -	$ -	$ 68,013	$ 68,013
Fixed income	182,498	173,815	144,309	132,467
Equity	301,056	417,501	314,805	394,811
Other securities	30,000	32,107	30,000	29,984
	$ 513,554	$ 623,423	$ 557,127	$ 625,275

4. Deferred contributions

	Balance, beginning of year	Received or receivable	Recognized during year	Balance, End of year
Contributions	$ 139,648	$ 402,477	$ 340,006	$ 202,119
Provincial gaming	-	78,520	60,559	17,961
	$ 139,648	$ 480,997	$ 400,565	$ 220,080

5. Donations in-kind

Donations of marketable securities of $8,754 (2024 - $92,851)are included in contributions.

6. Allocation of administrative and personnel costs

	2025		
	Administrative costs	Personnel costs	Total
Research grants and activities	$ 17,717	$ 65,831	$ 83,548
Awareness, education and services	12,655	47,022	59,677
Fundraising	7,593	28,213	35,806
Administrative and professional	10,126	37,618	47,744
Advocacy	2,531	9,404	11,935
	$ 50,622	$ 188,088	$ 238,710

	2024		
	Administrative costs	Personnel costs	Total
Research grants and activities	$ 8,732	$ 37,020	$ 45,752
Awareness, education and services	11,510	48,800	60,310
Fundraising	9,129	38,703	47,832
Administrative and professional	7,144	30,289	37,433
Advocacy	3,175	13,462	16,637
	$ 39,690	$ 168,274	$ 207,964

7. Lease commitment

The organization leases space in Toronto, Canada under a lease that expires on October 31, 2027.

Minimum lease payments are as follows:

2026	$ 13,632
2027	11,360
	$ 24,992

8. Financial risks

Fair value

It is management's opinion that Dystonia is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value.

Credit risk

Dystonia's exposure to credit risk is on amounts receivable. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Credit risk for accounts receivable is the risk that the obligation will fail to be discharged causing Dystonia to incur a financial loss. Credit risk is minimized by ensuring the credit is only extended to those entities that management believes has the financial capacity.

Liquidity risk

Dystonia considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs at a reasonable cost.

9. Comparative Figures

The comparative figures have been restated to conform with the current year's financial statement presentation.