



Financial Statements

Embroiderers' Association of Canada
Inc./Association canadienne de broderie, Inc.

August 31, 2025

Contents

	Page
Independent Practitioner's Review Engagement Report	1
Statement of Revenue and Expenditures	2
Statement of Changes in Fund Balances	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-11

Independent Practitioner's Review Engagement Report

Doane Grant Thornton LLP

Suite 650
1675 Douglas Street
Victoria, BC
V8W 2G5

T +1 250 383 4191
F +1 250 381 4623

To the members of **Embroiderers' Association of Canada Inc./Association canadienne de broderie, Inc.**

We have reviewed the accompanying financial statements of Embroiderers' Association of Canada, Inc. that comprise the balance sheet as at August 31, 2025, and the statements of income and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Embroiderers' Association of Canada Inc./Association canadienne de broderie, Inc. as at August 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.

Victoria, Canada
January 25, 2026

Doane Grant Thornton LLP
Chartered Professional Accountants

**Embroiderers' Association of Canada Inc./Association
canadienne de broderie, Inc.**
Statement of Revenue and Expenditures

(Unaudited)

Year ended August 31

2025

2024

	<u>General Fund</u>	<u>EAC Future Fund</u>	<u>Total</u>	<u>Total</u>
Revenue				
Membership fees	72,652	-	72,652	72,191
Seminar profit	20,604	-	20,604	7,509
Course fees	12,527	-	12,527	12,186
Interest	3,034	2,866	5,900	6,726
Donations	4,885	150	5,035	5,164
Sales	821	-	821	2,090
	<u>114,523</u>	<u>3,016</u>	<u>117,539</u>	<u>105,866</u>
Expenditures				
Bank charges	696	-	696	2,566
Correspondence courses	13,779	-	13,779	13,869
EAC programmes	4,765	1,667	6,432	10,269
Embroidery Canada	37,531	-	37,531	36,907
Insurance	4,024	-	4,024	3,737
Meetings	1,288	1,262	2,550	5,438
Professional fees	8,589	-	8,589	7,961
Stationery, postage and communications	3,951	9,665	13,616	15,322
Sundry	683	-	683	1,064
Travel and accommodation	8,653	-	8,653	6,341
	<u>83,959</u>	<u>12,594</u>	<u>96,553</u>	<u>103,474</u>
Excess (Deficiency) of revenue over expenditures	\$ <u>30,564</u>	\$ <u>(9,578)</u>	\$ <u>20,986</u>	\$ <u>2,392</u>

See accompanying notes to the financial statements.

**Embroiderers' Association of Canada Inc./Association
canadienne de broderie, Inc.**
Statement of Changes in Fund Balances

(Unaudited)

Year ended August 31

	2025			2024
	<u>General Fund</u>	<u>EAC Future Fund</u>	<u>Total</u>	<u>Total</u>
Fund balances, beginning	\$ 174,992	\$ 17,487	\$ 192,479	\$ 190,087
Interfund transfer (Note 6)	(3,585)	3,585	-	-
(Deficiency) excess of revenue over expenditures	<u>30,564</u>	<u>(9,578)</u>	<u>20,986</u>	<u>2,392</u>
Fund balances, end of year	\$ <u>201,971</u>	\$ <u>11,494</u>	\$ <u>213,465</u>	\$ <u>192,479</u>

See accompanying notes to the financial statements.

**Embroiderers' Association of Canada Inc./Association
canadienne de broderie, Inc.**
Statement of Financial Position

(Unaudited)
August 31

2025

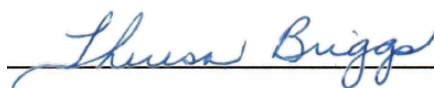
2024

	General Fund	EAC Future Fund	Total	Total
Assets				
Current				
Cash and cash equivalents	\$ 64,383	\$ -	\$ 64,383	\$ 60,523
Accounts receivable	262	-	262	-
Investments (Note 3)	55,000	76,995	131,995	151,834
Accrued interest receivable	515	206	721	1,909
Sales tax receivable	3,499	-	3,499	2,729
Inventory	961	-	961	1,079
Prepays	13,734	-	13,734	10,503
	138,354	77,201	215,555	228,577
Library and heritage collection	29,976	-	29,976	25,275
Tangible capital assets (Note 9)	19,019	-	19,019	-
Interfund balance (Note 4)	65,707	-	65,707	65,390
	\$ 253,056	\$ 77,201	\$ 330,257	\$ 319,242
Liabilities				
Current				
Accounts payables and accrued liabilities	\$ 5,280	\$ -	\$ 5,280	\$ 11,995
Deferred revenue (Note 5)	45,805	-	45,805	49,378
	51,085	-	51,085	61,373
Interfund balance (Note 4)	-	65,707	65,707	65,390
	51,085	65,707	116,792	126,763
Fund Balances				
Internally restricted	4,534	11,494	16,028	20,471
Unrestricted	197,437	-	197,437	172,008
	201,971	11,494	213,465	192,479
	\$ 253,056	\$ 77,201	\$ 330,257	\$ 319,242

On behalf of the Board



Director



Director

See accompanying notes to the financial statements.

Embroiderers' Association of Canada Inc./Association canadienne de broderie, Inc.

Statement of Cash Flows

(Unaudited)

Year ended August 31

2025

2024

Increase (decrease) in cash and cash equivalents

Operating activities

Excess of revenue over expenditures	\$	20,986	\$	2,392
Changes in non-cash operating working capital				
Accounts receivable		(262)		9,034
Accrued interest receivable		1,188		(382)
Sales tax receivable		(770)		2,052
Inventory		118		1,786
Prepays		(3,231)		(3,587)
Accounts payables and accrued liabilities		(6,713)		5,969
Deferred revenue		(3,573)		1,658
		<u>7,743</u>		<u>18,922</u>

Investing activities

Proceeds from matured investments	151,834	146,000
Purchase of investments	(131,995)	(151,834)
Website development costs	(19,019)	-
Additions to heritage collection	(4,703)	(1,250)
	<u>(3,883)</u>	<u>(7,084)</u>

Net decrease in cash and cash equivalents 3,860 11,838

Cash and cash equivalents, beginning of year 60,523 48,685

Cash and cash equivalents, end of year \$ 64,383 \$ 60,523

See accompanying notes to the financial statements.

Embroiderers' Association of Canada Inc./Association canadienne de broderie, Inc.

Notes to the Financial Statements

(Unaudited)

August 31, 2025

1. Purpose of the Association

The Association is incorporated under the laws of Canada without share capital. The purpose of the Association is to promote awareness and education of embroidery.

The Association is classified as a not-for-profit organization under the Income Tax Act and is a registered charity. As a result, it is not required to pay income taxes.

These financial statements pertain solely to the Association and do not include the operation of Branch Chapters.

2. Significant accounting policies

Basis of presentation

The Association has prepared these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Fund accounting

Revenue and expenditures related to program delivery and administrative activities are recorded in the General Fund.

The Association maintains two internally restricted funds, one for scholarships contained within the General Fund and the other for future operating activities within the EAC Future Fund.

The internally restricted scholarship fund contained within the General Fund represents amounts paid for scholarships and accumulates when donations received for scholarships are received by the Association.

The EAC Future Fund is a separate fund set aside for future development. Donations to the fund are recorded directly in the EAC Future Fund.

The internally restricted funds contained within the EAC Future Fund accumulates when 10% of the held seminar profits for the fiscal year are received and when the members of the Association pay their annual membership fee. Per Board policy, the General Fund covers any deficit incurred by the EAC Future Fund by an interfund transfer.

Embroiderers' Association of Canada Inc./Association canadienne de broderie, Inc.

Notes to the Financial Statements

(Unaudited)

August 31, 2025

2. Significant accounting policies (continued)

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the General Fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred.

Membership and course revenue received in advance is deferred and recognized as revenue in the period to which it relates.

Investment income is recognized in each respective fund when earned.

Cash and cash equivalents

Cash and cash equivalents includes balances with banks and highly liquid investments maturing within three months from the date of acquisition.

Investments

Investments are guaranteed investment certificates which are recorded at amortized cost and interest is accrued as earned. Investments maturing within the next fiscal year are recorded as current assets.

Inventory

Inventory is recorded at the lower of cost and net realizable value.

Library and heritage collection

The capital assets library of \$24,726 (2024: \$24,025) is a collection of books available to members in good standing. As the library represents a collection under accounting standards for not-for-profit organizations, it is recorded at cost.

The heritage collection of \$5,250 (2024: \$1,250) is a collection of heritage embroidery artifacts donated to the Association and are available to members in good standing. These artifacts are recorded at the fair market value at the time of donation and are appraised to fair value based on their respective property appraisal reports conducted by an independent third party.

The amounts from both the library and heritage collection are not subject to amortization.

Embroiderers' Association of Canada Inc./Association canadienne de broderie, Inc.

Notes to the Financial Statements

(Unaudited)

August 31, 2025

2. Significant accounting policies (continued)

Tangible capital assets

The website represents costs incurred and capitalized for development costs incurred in 2025. These costs are amortized on a straight-line basis over five years starting in 2026.

Contributed services

Volunteers contribute time to assist the Association in carrying out its charitable activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include the collectability of accounts receivable, accrual of accounts payable and useful life of tangible capital assets and are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

- Cash and cash equivalents
- Trade and other receivables
- Investments - guaranteed investment certificates
- Accounts payable and accrued liabilities

Initial measurement

A financial asset or liability is recognized when the Association becomes party to contractual provisions of the instrument.

Embroiderers' Association of Canada Inc./Association canadienne de broderie, Inc.

Notes to the Financial Statements

(Unaudited)

August 31, 2025

Financial instruments (continued)

Subsequent measurement

Financial assets or liabilities in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption

Derecognition

The Association removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

3. Investments

Investments held in the General Fund include guaranteed income certificates with an interest rate of 3.00% & 2.70% (2024: 4.15%) compounded annually maturing on January 8, 2026, and May 12, 2026. The investment held in the EAC Future Fund consists of a guaranteed income certificate with an interest rate of 2.70% (2024: 4.00%) maturing on July 28, 2026.

4. Interfund balance

The General Fund has a balance receivable from the EAC Future Fund in the amount of \$59,714 (2024: \$65,390). This represents expenses paid for on behalf of the EAC Future Fund by the General Fund.

5. Deferred revenue

Deferred revenue includes membership revenue, course revenue and other funding received in the current year that is related to the subsequent year.

6. Interfund transfer

During the year, the Board of Directors approved transfers of 10% of the Association's share of the 2025 seminar profit of \$2,060 (2024: \$834) to the EAC Future Fund from the General Fund, and a transfer of \$1 per Association member or \$1,525 (2024: \$1,429) to the EAC Future Fund from the General Fund.

Embroiderers' Association of Canada Inc./Association canadienne de broderie, Inc.

Notes to the Financial Statements

(Unaudited)
August 31, 2025

7. Financial Instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Company's risk exposures and concentrations at August 31, 2025.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is not exposed to significant credit risk as credit is not extended to its members.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable. There was no significant change in exposure from the prior year.

(c) 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 Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of fixed-rate instruments, the Association is subject to a low-interest rate risk. There was no significant change in exposure from the prior year.

8. Tangible capital assets

				<u>2025</u>	<u>2024</u>
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Website	5-year straight-line	\$ 19,019	\$ -	\$ 19,019	\$ -

The website was not in use during the fiscal year and therefore no amortization was taken.

**Embroiderers' Association of Canada Inc./Association
canadienne de broderie, Inc.**

Notes to the Financial Statements

(Unaudited)

August 31, 2025

9. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.
