

**SKATE ONTARIO**  
**FINANCIAL STATEMENTS**  
JUNE 30, 2026

## **Independent Auditor's Report**

To the Members of Skate Ontario

### **Opinion**

We have audited the financial statements of Skate Ontario (the "Organization"), which comprise the statement of financial position as at June 30, 2026, 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 the Organization as at June 30, 2026, 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 ability of the Organization 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 financial reporting process of the Organization.

### **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 the financial statements.

## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (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 internal control of the Organization.
- 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 ability of the Organization 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario  
August 27, 2026

Chartered Professional Accountants  
Licensed Public Accountants

# SKATE ONTARIO

## Statement of Financial Position

| June 30                                      | 2026<br>\$ | 2025<br>\$ |
|----------------------------------------------|------------|------------|
| <b>ASSETS</b>                                |            |            |
| Current assets                               |            |            |
| Cash                                         | 264,602    | 304,875    |
| Investments (note 3)                         | 5,575,811  | 5,234,231  |
| Accounts receivable (note 7)                 | 409,009    | 366,470    |
| HST recoverable                              | 15,320     | 17,704     |
| Prepaid expenses                             | 173,413    | 140,222    |
|                                              | 6,438,155  | 6,063,502  |
| Capital assets (note 4)                      | 91,970     | 109,636    |
|                                              | 6,530,125  | 6,173,138  |
| <b>LIABILITIES</b>                           |            |            |
| Current liabilities                          |            |            |
| Accounts payable and accrued liabilities     | 211,074    | 138,458    |
| Deferred revenue (note 6)                    | 251,573    | 266,907    |
|                                              | 462,647    | 405,365    |
| <b>NET ASSETS</b>                            |            |            |
| <b><u>Unrestricted</u></b>                   |            |            |
| Operating Fund                               | 1,825,508  | 1,508,137  |
| Invested in capital assets                   | 91,970     | 109,636    |
| <b><u>Internally restricted (note 8)</u></b> |            |            |
| Capital Reserve Fund                         | 300,000    | 300,000    |
| Sustainability Fund                          | 3,000,000  | 3,000,000  |
| Special Opportunities Fund                   | 850,000    | 850,000    |
|                                              | 6,067,478  | 5,767,773  |
|                                              | 6,530,125  | 6,173,138  |

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

# SKATE ONTARIO

## Statement of Operations

| Year ended June 30                                  | 2026<br>\$       | 2025<br>\$       |
|-----------------------------------------------------|------------------|------------------|
| Revenue                                             |                  |                  |
| Ontario Government base funding                     | 270,000          | 270,000          |
| Events                                              | 3,263,581        | 3,073,846        |
| Registration fees                                   | 2,534,405        | 2,489,821        |
| Sponsorship and fundraising                         | 110,862          | 132,111          |
| Education and training                              | 367,670          | 358,055          |
| Sport development                                   | 172,491          | 98,821           |
| Miscellaneous                                       | 33,911           | 41,028           |
| Investment income (note 3)                          | 341,580          | 280,974          |
| Skate Canada hosting grant                          | 10,000           | 15,000           |
|                                                     | <b>7,104,500</b> | <b>6,759,656</b> |
| Expenses                                            |                  |                  |
| Employee and contracted personnel                   | 2,254,791        | 1,886,307        |
| Other operational and program support (note 4)      | 1,145,604        | 1,005,430        |
| Events                                              | 2,812,530        | 2,500,027        |
| Sports development                                  | 591,870          | 630,919          |
|                                                     | <b>6,804,795</b> | <b>6,022,683</b> |
| Excess of revenue over expenses before other income | <b>299,705</b>   | <b>736,973</b>   |
| Other income                                        |                  |                  |
| HST recovery (note 5)                               | -                | 298,131          |
| Excess of revenues over expenses for year           | <b>299,705</b>   | <b>1,035,104</b> |

The accompanying notes are an integral part of these financial statements

# SKATE ONTARIO

## Statement of Changes in Net Assets

Year ended June 30

|                                                                      | Operating Fund<br>\$ | Invested in<br>capital assets<br>\$ | Internally<br>restricted<br>capital<br>reserve fund<br>(note 8)<br>\$ | Internally<br>restricted<br>sustainability<br>fund<br>(note 8)<br>\$ | Internally<br>restricted<br>special<br>opportunities<br>fund<br>(note 8)<br>\$ | 2026<br>Total<br>\$ |
|----------------------------------------------------------------------|----------------------|-------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------|
| Balance, beginning of year                                           | 1,508,137            | 109,636                             | 300,000                                                               | 3,000,000                                                            | 850,000                                                                        | <b>5,767,773</b>    |
| Interfund transfers on establishment of<br>restricted funds (note 8) | -                    | -                                   | -                                                                     | -                                                                    | -                                                                              | -                   |
| Excess of revenues over expenses                                     | 326,771              | (27,066)                            | -                                                                     | -                                                                    | -                                                                              | <b>299,705</b>      |
| Investment in property and equipment (note 8)                        | (9,400)              | 9,400                               | -                                                                     | -                                                                    | -                                                                              | -                   |
| Interfund transfers (note 8)                                         | -                    | -                                   | -                                                                     | -                                                                    | -                                                                              | -                   |
| Balance, end of year                                                 | 1,825,508            | 91,970                              | 300,000                                                               | 3,000,000                                                            | 850,000                                                                        | <b>6,067,478</b>    |

|                                                                      | Operating Fund<br>\$ | Invested in<br>capital assets<br>\$ | Internally<br>restricted<br>capital<br>reserve fund<br>(note 8)<br>\$ | Internally<br>restricted<br>sustainability<br>fund<br>(note 8)<br>\$ | Internally<br>restricted<br>special<br>opportunities<br>fund<br>(note 8)<br>\$ | 2025<br>Total<br>\$ |
|----------------------------------------------------------------------|----------------------|-------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------|
| Balance, beginning of year                                           | 4,561,160            | 171,509                             | -                                                                     | -                                                                    | -                                                                              | 4,732,669           |
| Interfund transfers on establishment of<br>restricted funds (note 8) | (3,700,000)          | -                                   | 200,000                                                               | 3,000,000                                                            | 500,000                                                                        | -                   |
| Excess of revenues over expenses                                     | 1,113,245            | (78,141)                            | -                                                                     | -                                                                    | -                                                                              | 1,035,104           |
| Investment in property and equipment (note 8)                        | (16,268)             | 16,268                              | -                                                                     | -                                                                    | -                                                                              | -                   |
| Interfund transfers (note 8)                                         | (450,000)            | -                                   | 100,000                                                               | -                                                                    | 350,000                                                                        | -                   |
| Balance, end of year                                                 | 1,508,137            | 109,636                             | 300,000                                                               | 3,000,000                                                            | 850,000                                                                        | 5,767,773           |

The accompanying notes are an integral part of these financial statements

# SKATE ONTARIO

## Statement of Cash Flows

| Year ended June 30                                              | 2026<br>\$ | 2025<br>\$  |
|-----------------------------------------------------------------|------------|-------------|
| Cash flows from operating activities                            |            |             |
| Excess of revenues over expenses for year                       | 299,705    | 1,035,104   |
| Adjustments for non-cash items                                  |            |             |
| Amortization of capital assets                                  | 27,066     | 78,141      |
| Reinvested investment income, net of broker fees                | (151,675)  | (136,084)   |
| Realized and unrealized capital gains                           | (189,905)  | (144,890)   |
| HST recovery                                                    | -          | (298,131)   |
|                                                                 | (14,809)   | 534,140     |
| Change in non-cash working capital items                        |            |             |
| Increase in accounts receivable                                 | (42,539)   | (43,906)    |
| Decrease (increase) in HST recoverable                          | 2,384      | (17,704)    |
| Increase in prepaid expenses                                    | (33,191)   | (5,152)     |
| Increase (decrease) in accounts payable and accrued liabilities | 72,616     | (40,795)    |
| Decrease in HST payable                                         | -          | 66,506      |
| Increase (decrease) in deferred revenue                         | (15,334)   | 62,115      |
|                                                                 | (30,873)   | 555,204     |
| Cash flows from investing activities                            |            |             |
| Purchase of capital assets                                      | (9,400)    | (16,268)    |
| Transfer to broker account                                      | -          | (1,000,000) |
| Transfer from broker account                                    | -          | 200,000     |
|                                                                 | (9,400)    | (816,268)   |
| Net change in cash                                              | (40,273)   | (261,064)   |
| Cash, beginning of year                                         | 304,875    | 565,939     |
| Cash, end of year                                               | 264,602    | 304,875     |

The accompanying notes are an integral part of these financial statements

# SKATE ONTARIO

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## Notes to the Financial Statements

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June 30, 2026

### **Nature of operations**

Skate Ontario (the "Organization") is incorporated without share capital. The Organization is a not-for-profit organization under subsection 149(1)(l) of the Income Tax Act (Canada) and is exempt from income taxes.

The Organization's purpose is to promote and develop figure skating in Ontario.

### **1. Significant accounting policies**

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below:

#### **(a) Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted grants are deferred and recognized as revenue in the period in which the related expense occurs.

Contributions from governments, foundations and other funding agencies that are not for a specific purpose are recognized as revenue when received or receivable.

Revenue from events is recognized when the event takes place.

Investment income is recognized when earned.

Other income is recorded when collection is reasonably assured.

#### **(b) Government assistance**

Government assistance is recognized in income when the related expenses are incurred or when there is reasonable assurance that the Organization has complied or will comply with the conditions of the assistance, and collection is reasonably assured.

#### **(c) Investments**

Investments are recorded at fair value. Investment income, including unrealized changes in fair value, are recognized in the statement of operations in the year they occur.

## Notes to the Financial Statements (continued)

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June 30, 2026

1. **Significant accounting policies (continued)**

(d) **Capital assets**

The costs of capital assets are capitalized upon meeting the criteria for recognition as an asset; otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The estimated useful lives are as follows:

|                                |         |
|--------------------------------|---------|
| Office furniture and equipment | 5 years |
| Event equipment                | 5 years |

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option on a straight-line basis.

Capital assets are tested for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable. If potential impairment is identified, then the amount of the impairment is quantified by comparing the carrying value of the asset to its fair value. Any impairment of capital assets is charged to income in the period in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(e) **Financial instruments**

(i) **Measurement of financial instruments**

The Organization initially measures its financial assets and financial liabilities, except for related party financial instruments (note 1(e)(ii)), at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

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

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments.

## Notes to the Financial Statements (continued)

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June 30, 2026

1. **Significant accounting policies (continued)**

(e) **Financial instruments (continued)**

(ii) **Related Party Financial Instruments**

The Organization initially measures its related party financial instruments as follows:

- at fair value if a derivative contract or quoted in an active market;
- at cost, determined using undiscounted cash flows excluding interest and dividend payments, less any impairment losses previously recognized by the transferor, if the financial instrument has repayment terms;
- at cost, determined using the amount of consideration transferred or received, if the financial instrument does not have repayment terms.

Subsequently, all related party financial instruments are measured at cost less impairment.

Related party financial assets and liabilities that are forgiven are recognized in net income if the original transaction was in the normal course of operations, and within equity if the original transaction was not in the normal course of operations.

The Organization initially measures non-financial items transferred in a related party transaction at the carrying amount, unless the transaction meets all of the following criteria, as defined in Section 3840, Related Party Transactions;

- the transaction has commercial substance,
- the change in ownership interests is substantive, and
- the amount of consideration is supported by independent evidence.

The Organization does not have any related party financial instruments.

(iii) **Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write-down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;

When events occurring after the impairment date confirm that a reversal is necessary, the reversal is recognized in the statement of income up to the amount of the previously recognized impairment. The amount of the reversal is recognized in income in the period that the reversal occurs.

# SKATE ONTARIO

## Notes to the Financial Statements (continued)

June 30, 2026

### 1. Significant accounting policies (continued)

#### (f) Net assets invested in capital assets

Net assets invested in capital assets comprise the net book value of capital assets.

#### (g) Contributed Goods and Services

The value of goods and services contributed to the Organization is not reflected in these financial statements.

#### (h) Employee future benefits

The cost of post-retirement benefits are included in employee and contracted personnel expense in the statement of operations.

#### (i) Management 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 at the date of the financial statements and the reported amounts of revenues and expenses during the year. These estimates are based on information available as of the date of issuance of the financial statements.

Actual results could differ from these and other estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

### 2. Financial instrument risk management

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Organization's financial instruments. The financial instruments of the Organization and the nature of the risks to which it may be subject are as follows:

| Financial instrument                                 | Risks  |           |             |               |             |
|------------------------------------------------------|--------|-----------|-------------|---------------|-------------|
|                                                      | Credit | Liquidity | Market risk |               |             |
|                                                      |        |           | Currency    | Interest rate | Other price |
| Cash                                                 | X      |           |             |               |             |
| Investments - Guaranteed investment certificates     | X      |           |             | X             |             |
| Investments - Exchange traded funds and mutual funds | X      |           |             |               | X           |
| Accounts receivable                                  | X      |           |             |               |             |
| Accounts payable and accrued liabilities             |        | X         |             |               |             |

# SKATE ONTARIO

## Notes to the Financial Statements (continued)

June 30, 2026

### 2. Financial instrument risk management (continued)

#### Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposure of the Organization to credit risk is as follows:

|                     | 2026<br>\$       | 2025<br>\$       |
|---------------------|------------------|------------------|
| Cash                | 264,602          | 304,875          |
| Investments         | 5,575,811        | 5,234,231        |
| Accounts receivable | 409,009          | 366,470          |
|                     | <u>6,249,422</u> | <u>5,905,576</u> |

The Organization reduces its exposure to credit risk with respect to cash and investments by maintaining their respective balances with Canadian financial institutions.

Credit risk associated with accounts receivable is reduced by closely monitoring outstanding balances.

#### Liquidity risk

Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities to a maximum of \$211,073 (2025 - \$138,458). The Organization reduces its exposure to liquidity risk by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash and having a corporate credit card with an available credit limit of \$100,000 to help manage cash flow. Included in accounts payable and accrued liabilities at June 30, 2026 is \$63,224 (2025 - \$69,758) outstanding on the Organization's credit card.

## Notes to the Financial Statements (continued)

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June 30, 2026

### 2. Financial instrument risk management (continued)

#### 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 is comprised of currency risk, interest rate risk and other price risk.

- i) **Currency risk** - Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Organization has no exposure to currency risk because it undertakes no significant foreign denominated transactions and has no foreign denominated financial instruments.
- ii) **Interest rate risk** - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk on the maturity of its guaranteed investment certificates (note 3). Fluctuations in market rates of interest do not have a significant impact on the results of the Organization's operations, and as a result, the Organization does not use derivative financial instruments to manage its exposure to interest rate risk.
- iii) **Other price risk** - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar instruments traded in the market. The Organization is exposed to other price risk on its exchange traded funds and mutual funds (note 3).

#### Changes in risk

There have been no significant changes to the Organization's risk exposure during the year.

# SKATE ONTARIO

## Notes to the Financial Statements (continued)

June 30, 2026

### 3. Investments

|                                    | 2026<br>\$       | 2025<br>\$       |
|------------------------------------|------------------|------------------|
| Cash                               | 346,015          | 3,272            |
| Guaranteed investment certificates | 4,054,768        | 2,379,419        |
| Exchange traded funds              | 1,133,806        | 1,326,012        |
| Mutual funds                       | 41,222           | 1,525,528        |
|                                    | <u>5,575,811</u> | <u>5,234,231</u> |

Guaranteed investment certificates bear interest at fixed rates ranging from 2.17% to 5.70% (2025 – 1.67% to 5.89%), and mature between 2027 and 2036 (2025 – maturing between 2026 and 2030). The Organization's investments in exchange traded funds and mutual funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those funds.

Investment income is comprised of:

|                                                     | 2026<br>\$     | 2025<br>\$     |
|-----------------------------------------------------|----------------|----------------|
| Interest and dividends received, net of broker fees | 151,675        | 136,084        |
| Realized and unrealized gains                       | 189,905        | 144,890        |
|                                                     | <u>341,580</u> | <u>280,974</u> |

### 4. Capital assets

|                                | 2026           |                                   |                         |
|--------------------------------|----------------|-----------------------------------|-------------------------|
|                                | Cost<br>\$     | Accumulated<br>Amortization<br>\$ | Net Book<br>Value<br>\$ |
| Office furniture and equipment | 138,230        | 138,230                           | -                       |
| Event equipment                | 306,220        | 258,047                           | 48,173                  |
| Leasehold improvements         | 59,663         | 15,865                            | 43,797                  |
|                                | <u>504,113</u> | <u>412,142</u>                    | <u>91,970</u>           |
|                                | 2025           |                                   |                         |
|                                | Cost<br>\$     | Accumulated<br>Amortization<br>\$ | Net Book<br>Value<br>\$ |
| Office furniture and equipment | 138,230        | 136,597                           | 1,633                   |
| Event equipment                | 296,820        | 236,591                           | 60,229                  |
| Leasehold improvements         | 59,663         | 11,889                            | 47,774                  |
|                                | <u>494,713</u> | <u>385,077</u>                    | <u>109,636</u>          |

Amortization expense of \$27,066 (2025 - \$78,141) is included in other operational and program support in the Statement of Operations.

# SKATE ONTARIO

## Notes to the Financial Statements (continued)

June 30, 2026

### 5. HST Voluntary Disclosure

Included in other income for the prior year on the statement of operations is the June 30, 2024 HST overaccrual for the period from April 1, 2017 to March 31, 2020, net of interest assessed on the HST collected but not remitted for the period from April 1, 2020 to September 30, 2023.

### 6. Deferred revenue

Deferred revenue is comprised of the following:

|                                | 2026<br>\$     | 2025<br>\$     |
|--------------------------------|----------------|----------------|
| Event revenue                  | 152,423        | 183,257        |
| Education and training revenue | 99,150         | 83,650         |
|                                | <u>251,573</u> | <u>266,907</u> |

### 7. Commitments

The Organization is committed to lease its premises until July 31, 2032. Minimum lease payments including operating costs and property taxes are as follows:

|                  | \$             |
|------------------|----------------|
| 2027             | 109,339        |
| 2028             | 113,296        |
| 2029             | 113,656        |
| 2030             | 113,656        |
| 2031             | 113,656        |
| Subsequent years | 123,127        |
|                  | <u>686,730</u> |

In fiscal 2022, the Organization renewed its head office lease. As part of the lease renewal, the Organization's landlord agreed to reimburse the Organization for leasehold improvements expenditures made, to a maximum of \$95,500 plus HST. Included in accounts receivable is \$107,915 (2025 - \$107,915) recoverable from the landlord under the terms of the lease agreement.

The Organization implemented a Group RRSP matching program on January 1, 2026 for full-time permanent employees. Under the terms of the program, the Organization matches employee contributions up to a maximum of 4% of the employee's annual base salary. Contributions are recognized as an expense in the statement of operations. For the year ended June 30, 2026, the total expenses recognized for employer matching contributions was \$24,431 (2025- \$nil).

### 8. Internally restricted net assets and inter-fund transfers

#### Establishment of internally restricted funds

During the 2025 fiscal year, the Organization's Board of Directors established the following internally restricted funds:

## Notes to the Financial Statements (continued)

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June 30, 2026

8. **Internally restricted net assets and inter-fund transfers (continued)**

**Capital Reserve Fund:** This reserve is intended to provide funding for extraordinary capital items such as leasehold improvements, large equipment purchases and other capital assets. Upon the creation of this fund, the Organization's Board of Directors authorized a transfer of \$nil (2025 - \$200,000) from the Operating Fund to the Capital Reserve Fund.

**Sustainability Fund:** This reserve is intended to provide funding for unforeseen costs and / or funding reductions, realized contingency amounts and other emergencies. Upon the creation of this fund, the Organization's Board of Directors authorized a transfer of \$nil (2025 - \$3,000,000) from the Operating Fund to the Sustainability Fund.

**Special Opportunities Fund:** This reserve is intended to provide funding for special opportunities that are unfunded, require matching funds, or require the Organization to save money to finance a future opportunity or initiative. Upon the creation of this fund, the Organization's Board of Directors authorized a transfer of \$nil (2025 - \$500,000) from the Operating Fund to the Special Opportunities Fund.

**Inter-fund transfers**

During the year, the Organization transferred \$9,400 (2025 - \$16,268) from the Operating Fund to the Invested in Capital Assets Fund for the purchase of capital assets. Additionally, the Board of Directors of the Organization approved additional transfers of \$nil (2025 - \$100,000) and \$nil (2025 - \$350,000) from the Operating Fund to the Capital Reserve Fund and Special Opportunities Fund, respectively.

9. **Comparative figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year net assets.

# HILBORN

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