

CANADIAN LUGE ASSOCIATION
Financial Statements
Year Ended March 31, 2026

CANADIAN LUGE ASSOCIATION
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Year Ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Luge Association

Opinion

We have audited the financial statements of Canadian Luge Association (the "Association"), which comprise the statement of financial position as at March 31, 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 Association as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Association in accordance with 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.

Emphasis of Matter

We draw attention to Note 4 of the financial statements, which indicate that the Association is economically dependent on revenue received from government funding without which, the Association may not be able to discharge its liabilities. Our opinion is not modified in respect of this matter.

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 ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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.

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Independent Auditor's Report to the Members of Canadian Luge Association (*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 Association'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 Association'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 Association 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 that reads "Ascend". The letter "A" is large and stylized, with a long horizontal stroke extending to the right. The word "Ascend" is written in a cursive-like font.

Ascend LLP
Chartered Professional Accountant
Airdrie, Alberta
June 21, 2026

CANADIAN LUGE ASSOCIATION
Statement of Operations
Year Ended March 31, 2026

	2026	2025
REVENUES		
Olympic luge programming (<i>Note 2</i>)	\$ 921,999	\$ 1,399,927
Sport Canada	478,000	725,620
Rental and miscellaneous	33,281	24,083
	<u>1,433,280</u>	<u>2,149,630</u>
EXPENSES		
Olympic luge (<i>Schedule 1</i>)	1,346,456	1,976,401
Operations (<i>Schedule 1</i>)	254,472	247,573
Amortization	15,660	12,608
	<u>1,616,588</u>	<u>2,236,582</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>(183,308)</u>	<u>(86,952)</u>
OTHER INCOME		
Interest income	7,947	18,713
Loss on disposal of tangible capital asset	-	(2,956)
	<u>7,947</u>	<u>15,757</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (175,361)</u>	<u>\$ (71,195)</u>

The accompanying notes are an integral part of these financial statements

CANADIAN LUGE ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2026

	Unrestricted Fund	Investment in Tangible Capital Assets Fund	2026	2025
Net assets - beginning of year	\$ 458,151	\$ 28,933	\$ 487,084	\$ 558,279
Deficiency of revenues over expenses	(175,361)	-	(175,361)	(71,195)
Amortization of tangible capital assets	15,660	(15,660)	-	-
Purchase of tangible capital assets	(12,979)	12,979	-	-
Net assets - end of year	\$ 285,471	\$ 26,252	\$ 311,723	\$ 487,084

The accompanying notes are an integral part of these financial statements

CANADIAN LUGE ASSOCIATION
Statement of Financial Position
March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	\$ 177,743	\$ 143,652
Term deposits (Note 5)	150,000	200,000
Grants and other receivables (Note 6)	112,012	219,485
Interest receivable	2,929	5,226
Goods and services tax recoverable	37,538	30,102
Prepaid expenses	3,564	3,261
	<u>483,786</u>	<u>601,726</u>
TANGIBLE CAPITAL ASSETS (Note 7)	<u>26,252</u>	<u>28,933</u>
	<u>\$ 510,038</u>	<u>\$ 630,659</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 88,456	\$ 54,629
Wages payable	12,698	12,272
Current portion of deferred revenue and contributions (Note 9)	90,911	27,005
	<u>192,065</u>	<u>93,906</u>
LONG TERM PORTION OF DEFERRED REVENUE AND CONTRIBUTIONS (Note 9)	<u>6,250</u>	<u>49,669</u>
	<u>198,315</u>	<u>143,575</u>
NET ASSETS		
Unrestricted fund	285,471	458,151
Investment in tangible capital assets fund	26,252	28,933
	<u>311,723</u>	<u>487,084</u>
	<u>\$ 510,038</u>	<u>\$ 630,659</u>

CONTINGENT LIABILITIES (Note 10)

SUBSEQUENT EVENTS (Note 11)

ON BEHALF OF THE BOARD

 Director
 Director

The accompanying notes are an integral part of these financial statements

CANADIAN LUGE ASSOCIATION
Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (175,361)	\$ (71,195)
Items not affecting cash:		
Amortization of tangible capital assets	15,660	12,608
Loss on disposal of tangible capital assets	-	2,956
	<u>(159,701)</u>	<u>(55,631)</u>
Changes in non-cash working capital:		
Grants and other receivables	107,473	687
Interest receivable	2,297	(4,901)
Prepaid expenses	(303)	14,944
Accounts payable and accrued liabilities	33,827	(26,901)
Goods and services tax	(7,436)	(11,775)
Deferred revenue and contributions	20,487	(103,417)
Wages payable	426	3,409
	<u>156,771</u>	<u>(127,954)</u>
Cash flow used by operating activities	<u>(2,930)</u>	<u>(183,585)</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(12,979)	(10,769)
Proceeds on disposal of tangible capital assets	-	46,304
Cash flow from (used by) investing activities	<u>(12,979)</u>	<u>35,535</u>
DECREASE IN CASH FLOW	<u>(15,909)</u>	<u>(148,050)</u>
Cash - beginning of year	<u>343,652</u>	<u>491,702</u>
CASH - END OF YEAR	<u>\$ 327,743</u>	<u>\$ 343,652</u>
CASH CONSISTS OF:		
Cash	\$ 177,743	\$ 143,652
Term deposits	<u>150,000</u>	<u>200,000</u>
	<u>\$ 327,743</u>	<u>\$ 343,652</u>

The accompanying notes are an integral part of these financial statements

CANADIAN LUGE ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2026

1. NATURE OF ASSOCIATION

The Canadian Luge Association or Association Canadienne de Luge (the "Association") was incorporated on March 22, 1990 under the Canada Corporations Act as a not-for-profit organization and commenced operations effective April 1, 1990. The Association is a registered charity under the *Income Tax Act* and, as such, exempted from income taxes under *Section 149 (1)*.

The Association was formed to develop and administer the sport of luge in Canada, in order to ensure opportunities for participation at all domestic levels and to foster international excellence in the sport of luge.

The Association receives funding from Sport Canada, the Canadian Olympic Committee, the Canadian Olympic Foundation, and various other sources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organization (ASNPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits with a term less than 90 days and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than 90 days.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their useful lives using the following rates and methods:

Equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Computer equipment	30%	declining balance method
Motor vehicles	30%	declining balance method
Sport equipment	3 years	straight-line method

The Association regularly reviews its tangible capital assets to eliminate obsolete items. Government grants and contribution from others are treated as reduction of tangible capital asset cost.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

Amortization is recorded beginning of the month the tangible capital assets are available for use until the tangible capital assets are disposed or use is discontinued.

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CANADIAN LUGE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Fund accounting

The Association follows the deferral method of fund accounting.

- Investment in Tangible Capital Assets Fund represents the Association's net investment in tangible capital assets, which is comprised of the unamortized amount of tangible capital assets purchased with restricted funds.
- Unrestricted Fund comprise the excess of revenue over expenses accumulated by the Association each year, net of transfers, and are available for general purposes.

Revenue recognition

- Fees and rental income are recognized when invoiced and collection is reasonably assured;
- Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured;
- Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred;
- Contributions in-kind are recognized as revenue at the fair value of the goods or services received if the Association would have otherwise purchased similar goods or services had the in-kind contribution not been made;
- Interest is recognized as earned.
- Government grants are recorded when there is a reasonable assurance that the Association has complied with, and will continue to comply with, all the necessary conditions to obtain the grants.
- The revenue in Olympic Luge Programming consists of grants, program fees, donations, and sponsorships. Majority of the revenue consists of funds for operating expenses, training and events held through out the year.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the year end exchange rate. Non-monetary assets are translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses are translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

During the year, the Association recognized \$1,088 (2025 - \$3850) of foreign exchange loss. It is included in operations expense.

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CANADIAN LUGE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates 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. Significant items subject to estimates and assumptions include:

- Amortization of tangible capital assets;
- Estimated useful lives of assets; and
- Deferred contributions.

Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of the transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Association subsequently measures its financial assets and liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and grants and other receivables.

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

Financial asset measured at amortized cost includes term deposit.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. Where there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be 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 income.

CANADIAN LUGE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2026

3. FINANCIAL INSTRUMENT RISKS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2026:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association's accounts receivable are typically with organizations that share the same activities and from athletes who are supported by the Association. Therefore, credit risk is considered to be low. The maximum exposure to credit risk is from the carrying value of its accounts receivable. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has many customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking harm to the Association's reputation.

The Association has accumulated net assets and consistently generates funds in excess of its expenditures and it anticipates that it will have adequate liquidity to fund its financial liabilities through its existing working capital.

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 rate risk, interest rate risk and other price risk. The Association is mainly exposed to currency rate risk.

Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on cash held in USD and Euros. The Association does not use derivative instruments to reduce its exposure to foreign currency risk.

As at year end, the Association has cash balances denominated in Euros of €53,680 (2025 - €38,570) and USD of \$1,835 (2025 - \$1,893).

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest or other price risks arising from these financial instruments.

4. ECONOMIC DEPENDENCE

The Association receives substantially all its revenue from renewable contracts with the Sport Canada, of the Government of Canada. The Association is economically dependent on these contracts and its management's opinion that loss of such funding will result in the Association being unable to provide their services to their clients.

CANADIAN LUGE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2026

5. TERM DEPOSIT

As at year end, there was a term deposit with a maturity date of July 2026, bearing interest of 2.70%.

6. GRANTS AND OTHER RECEIVABLES

	2026	2025
Grants receivable	\$ 26,947	\$ 57,852
Athletes receivable	94,065	170,633
Other receivable	-	-
	<u>121,012</u>	<u>228,485</u>
Less: Allowance for doubtful accounts	<u>(9,000)</u>	<u>(9,000)</u>
	<u>\$ 112,012</u>	<u>\$ 219,485</u>

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization		2025
Equipment	\$ 48,002	\$ 40,156	\$ 7,846	\$ 9,808
Furniture and fixtures	7,943	7,900	43	53
Computer equipment	49,476	45,971	3,505	5,007
Sport equipment	171,097	156,239	14,858	14,065
	<u>\$ 276,518</u>	<u>\$ 250,266</u>	<u>\$ 26,252</u>	<u>\$ 28,933</u>

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Trade payables	\$ 59,295	\$ 26,461
Accrued Liabilities	8,085	7,700
Credit card facility	<u>21,076</u>	<u>20,468</u>
	<u>\$ 88,456</u>	<u>\$ 54,629</u>

The Association has a credit card facility with Royal Bank of Canada with a maximum authorized limit of \$137,500 (2025 - \$137,500), of which \$131,623 (2025 - \$117,032) was available for use at year end.

CANADIAN LUGE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2026

9. DEFERRED REVENUE AND CONTRIBUTIONS

	Balance, beginning of	Received	Recognized	Balance, end of
Current:				
Canada Olympic Committee Fund	\$ 10,000	\$ -	\$ 10,000	\$ -
Royal Bank of Canada training	10,015	22,500	15,640	16,875
Own The Podium - Start House	49,669	-	49,669	-
Canada Olympic Committee - Youth Athlete Preparation Program	-	17,065	-	17,065
Canada Olympic Committee - Hiring of Multidisciplinary Team Program	-	20,721	-	20,721
Canada Olympic Committee - National Sport Organizations Enhancement Grant	-	36,250	-	36,250
	-	-	-	-
	-	-	-	-
Current portion	<u>69,684</u>	<u>96,536</u>	<u>75,309</u>	<u>90,911</u>
Long term:				
Canada Olympic Committee - National Sport Organizations Enhancement Grant	-	6,250	-	6,250
Long term portion	<u>-</u>	<u>6,250</u>	<u>-</u>	<u>6,250</u>
	<u>\$ 69,684</u>	<u>\$ 102,786</u>	<u>\$ 75,309</u>	<u>\$ 97,161</u>

CANADIAN LUGE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2026

10. CONTINGENT LIABILITY

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management.

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Association's accounting records are subject to review by Sport Canada to identify instances, if any, where amounts charged against contributions have not complied with the agreed terms and conditions and; therefore, would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada authorizes the adjustment. As at the year end, the amount of any potential repayment cannot be reasonably estimated.

11. SUBSEQUENT EVENT

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management.

There were no subsequent event that would have a material impact on these financial statements.

CANADIAN LUGE ASSOCIATION

Expenses

(Schedule 1)

Year Ended March 31, 2026

	2026	2025
Olympic luge		
Travel	\$ 496,764	\$ 494,925
Salaries and benefits	357,909	378,287
Track fees	145,538	139,177
Medical	130,450	121,703
Coaching and professional fees	78,067	92,091
Office expenses	57,429	80,472
Meals and entertainment	46,501	79,036
Rental	20,566	98,775
Delivery freight and expenses	11,975	16,259
World Cup facility rental and TV production	1,257	456,521
Bad debts	-	12,338
Consulting fees	-	6,817
	<u>1,346,456</u>	<u>1,976,401</u>
Operations		
Salaries and benefits	127,106	126,503
Consulting fees	49,979	57,825
Office expenses	35,070	29,606
Coaching and professional fees	23,660	20,192
Rental	16,863	12,199
Travel	1,597	994
Delivery freight and expenses	131	26
Meals and entertainment	66	228
	<u>\$ 254,472</u>	<u>\$ 247,573</u>

The accompanying notes are an integral part of these financial statements