# ONTARIO SAILING ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2026

HILBORN LLP

HILBORN LLP

**Independent Auditor's Report**

To the Members of Ontario Sailing Association

**Opinion**

We have audited the financial statements of Ontario Sailing 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 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 Association 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 Association 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 financial reporting process of the Association.

**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.

HILBORN LLP

**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 Association.
- 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 Association 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.

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.

Hilborn LLP

Toronto, Ontario
June 26, 2026

Chartered Professional Accountants
Licensed Public Accountants

# ONTARIO SAILING ASSOCIATION

## Statement of Financial Position

| March 31 | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and short term investments (note 3) | **511,986** | 538,825 |
| Accounts receivable | **102,574** | 148,758 |
| Inventory | **11,724** | 14,049 |
| Prepaid expenses | **18,086** | 11,352 |
| | **644,370** | 712,984 |
| Restricted investments (note 4) | **106,153** | 117,584 |
| Long term investment (note 5) | **54,341** | 23,620 |
| Capital assets (note 6) | **61,717** | 110,913 |
| | **866,581** | 965,101 |
| **LIABILITIES** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | **83,635** | 180,861 |
| Deferred revenue (note 7) | **211,014** | 239,270 |
| | **294,649** | 420,131 |
| **NET ASSETS** | | |
| Net assets invested in capital assets | **61,717** | 110,913 |
| Unrestricted net assets | **404,062** | 316,473 |
| Restricted funds (note 4) | **106,153** | 117,584 |
| | **571,932** | 544,970 |
| | **866,581** | 965,101 |

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

# ONTARIO SAILING ASSOCIATION

## Statement of Revenues and Expenses - Operating Fund

| Year ended March 31 | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Revenue | | |
| Administration | **40,362** | 78,534 |
| Membership (note 9) | **440,731** | 437,571 |
| Leadership development | **312,932** | 267,540 |
| Participation development (note 9) | **101,000** | 122,617 |
| Athlete development (note 9) | **309,513** | 352,165 |
| Gain on sale of capital assets (note 6) | **5,181** | 1,337 |
| | **1,209,719** | 1,259,764 |
| Expenses | | |
| Administration (schedule 1) | **257,007** | 460,008 |
| Membership (schedule 2) | **310,353** | 329,455 |
| Leadership development (schedule 3) | **265,328** | 243,845 |
| Participation development (schedule 4) | **100,284** | 115,542 |
| Athlete development (schedule 5) | **238,354** | 314,928 |
| | **1,171,326** | 1,463,778 |
| Excess (deficiency) of revenue over expenses for year | **38,393** | (204,014) |

The accompanying notes are an integral part of these financial statements.

# ONTARIO SAILING ASSOCIATION

## Statement of Revenues and Expenses - Restricted Funds

Year ended March 31

| | General Restricted Fund $ | Hans Fogh Fund $ | Alice Boston Fund $ | Council of Commodores Fund $ | 2026 Total $ | 2025 Total $ |
|---|---|---|---|---|---|---|
| Revenue | | | | | | |
| Interest | - | 1,087 | 303 | - | 1,390 | 3,028 |
| Contributions | - | - | - | 15,298 | 15,298 | 12,356 |
| | - | 1,087 | 303 | 15,298 | 16,688 | 15,384 |
| Expenses | | | | | | |
| Distributions | - | - | 21,290 | 6,829 | 28,119 | 52,001 |
| Excess of revenue over expenses | - | 1,087 | (20,987) | 8,469 | (11,431) | (36,617) |
| Net assets, beginning of year | 50 | 71,414 | 20,987 | 25,133 | 117,584 | 154,201 |
| Net assets, end of year (note 4) | 50 | 72,501 | - | 33,602 | 106,153 | 117,584 |

The accompanying notes are an integral part of these financial statements

# ONTARIO SAILING ASSOCIATION

## Statement of Changes in Net Assets

| Year ended March 31 | Net assets invested in Capital Assets $ | Unrestricted net assets $ | Restricted Funds $ | Total 2026 $ |
|---|---|---|---|---|
| Balance, beginning of year | **110,913** | **316,473** | **117,584** | 544,970 |
| Excess (deficiency) of revenue over expenses for year | **(5,609)** | **44,002** | **(11,431)** | 26,962 |
| Purchase of capital assets | **1,794** | **(1,794)** | **-** | - |
| Disposal of capital assets | **(45,381)** | **45,381** | **-** | - |
| Balance, end of year | **61,717** | **404,062** | **106,153** | 571,932 |

| | Net assets invested in Capital Assets $ | Unrestricted net assets $ | Restricted Funds $ | Total 2025 $ |
|---|---|---|---|---|
| Balance, beginning of year | **163,187** | **468,213** | **154,201** | 785,601 |
| Excess of expenses over revenue for year | **(51,859)** | **(152,155)** | **(36,617)** | (240,631) |
| Purchase of capital assets | **4,259** | **(4,259)** | **-** | - |
| Disposal of capital assets | **(4,674)** | **4,674** | **-** | - |
| Balance, end of year | **110,913** | **316,473** | **117,584** | 544,970 |

The accompanying notes are an integral part of these financial statements

# ONTARIO SAILING ASSOCIATION

## Statement of Cash Flows

| Year ended March 31 | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Cash flows from operating activities | | |
| Excess (deficiency) of revenue over expenses for year | **26,962** | (240,631) |
| Adjustments to determine net cash provided by operating activities | | |
| Gain on sale of capital assets | **(5,181)** | (1,337) |
| Amortization of capital assets | **41,846** | 55,975 |
| Accrued interest | **(1,316)** | (126) |
| | **62,311** | (186,119) |
| Change in non-cash working capital items | | |
| Decrease in accounts receivable | **46,184** | 4,244 |
| Decrease (increase) in inventory | **2,325** | (2,024) |
| Decrease (increase) in prepaid expenses | **(6,734)** | 1,712 |
| Increase (decrease) in accounts payable and accrued liabilities | **(97,226)** | 100,704 |
| Decrease in deferred revenue | **(28,256)** | (5,594) |
| | **(21,396)** | (87,077) |
| Cash flows from investing activities | | |
| Net redemption of restricted investments | **11,431** | 36,617 |
| Purchase of capital assets | **(1,794)** | (4,259) |
| Proceeds on disposal of capital assets | **14,325** | 1,895 |
| Redemption of long term investments | **24,614** | 119,618 |
| Purchase of long term investments | **(54,019)** | (23,494) |
| | **(5,443)** | 130,377 |
| Net change in cash | **(26,839)** | 43,300 |
| Cash and short term investments, beginning of year | **538,825** | 495,525 |
| Cash and short term investments, end of year | **511,986** | 538,825 |

The accompanying notes are an integral part of these financial statements

# ONTARIO SAILING ASSOCIATION

## Schedules to Financial Statements

Year ended March 31

**Schedule of administration** **Schedule 1**

| | 2026 $ | 2025 $ |
|---|---|---|
| Salaries | **93,755** | 230,377 |
| Professional fees | **17,215** | 64,730 |
| Communications | **13,773** | 17,078 |
| Insurance | **40,147** | 37,534 |
| Meetings | **4,123** | 5,777 |
| Facilities | **23,675** | 44,276 |
| Telephone | **5,087** | 6,799 |
| Other | **56,295** | 44,788 |
| Amortization | **2,937** | 8,649 |
| | **257,007** | 460,008 |

**Schedule of membership** **Schedule 2**

| | 2026 $ | 2025 $ |
|---|---|---|
| Salaries | **155,612** | 154,391 |
| Product costs of goods sold | **54,010** | 68,902 |
| Participation fees | **79,573** | 100,151 |
| Fundraising | **1,593** | 2,741 |
| Trade shows and conferences | **19,565** | 3,270 |
| | **310,353** | 329,455 |

**Schedule of leadership development** **Schedule 3**

| | 2026 $ | 2025 $ |
|---|---|---|
| Salaries | **138,503** | 142,099 |
| Instructor development program | **113,164** | 91,693 |
| Conferences and workshops | **8,178** | 3,733 |
| Facilities | **5,483** | 6,320 |
| | **265,328** | 243,845 |

The accompanying notes are an integral part of these financial statements

## Schedules to Financial Statements (continued)

**Year ended March 31**

**Schedule of participation development** **Schedule 4**

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Salaries | **57,017** | 67,637 |
| Cruising registration program | **15,220** | 27,039 |
| Amortization | **14,336** | 17,554 |
| Ontario Summer Games | **-** | 3,312 |
| Wingfoiling | **13,711** | - |
| | **100,284** | 115,542 |

**Schedule of athlete development expenses** **Schedule 5**

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Salaries | **158,479** | 227,239 |
| Travel | **40,326** | 47,882 |
| Boats and equipment | **4,617** | 7,911 |
| Facilities | **3,410** | 2,698 |
| Amortization | **15,020** | 20,219 |
| Paralympic training | **14,233** | 8,419 |
| Sanctioned events | **2,269** | 560 |
| | **238,354** | 314,928 |

The accompanying notes are an integral part of these financial statements

March 31, 2026

**Nature of operations**

The Ontario Sailing Association (the "Association") was incorporated without share capital under the laws of Ontario.

The objectives of the Association are to generate interest in sailing particularly among young people in the Province of Ontario, promote sailboat racing events and encourage boating skill development.

1. **Significant accounting policies**

(a) **Basis of presentation**

Unrestricted net assets account for the day-to-day service delivery activities of the Association.

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

The operating fund is comprised of the unrestricted net assets and the net assets invested in capital assets.

The restricted funds are used for specific purposes and are not available for operating purposes. Description of the restricted funds are as follows:

*Restricted funds*

(i) General Restricted Fund

These funds are internally restricted and are not available for operating purposes without approval of the Board of Directors.

(ii) Hans Fogh Fund

Established in 2010, investment returns in the Hans Fogh Fund are to be used to support development of high performance athletes, coaches and officials in Ontario, as recommended by the Board of Directors and approved by the Fogh family.

(iii) Alice Bostin Fund

Established in 2010, the Alice Boston Fund is to be used to support competitive sailing in the Sarnia area, as recommended by the Board of Directors and approved by the trustees as named by the Boston family. During the year, the Alice Boston Fund was closed.

(iv) Council of Commodores Fund

In 2016, the Association established the Council of Commodores Fund which is to be used to support the Council as approved by the Council.

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

(b) **Revenue recognition**

*Contributions*

The Association follows the deferral method of accounting for contributions. Unrestricted grants and contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are initially recorded as deferred revenue and are subsequently recognized as revenue in the period in which the related expenses are incurred. Grants approved but not received at the reporting date are accrued.

*Membership*

Membership fees are recognized as revenue when services are rendered and the revenue is earned. Membership fees received in advance are recorded as deferred revenue.

*Participation, athlete, and leader development*

Revenue from clinics, coaching and other income is recognized as revenue in the period in which the services are provided or the events take place. Revenue received in advance of the event date is recorded as deferred revenue on the Statement of Financial Position and will be recognized as income when it takes place.

*Government assistance*

Government assistance is recognized in income when the related expenses are incurred, the application to receive the funding has been made, there is reasonable assurance that the Association has complied or will comply with the conditions of the assistance and collection is reasonably assured.

(c) **Inventory**

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

(d) **Capital assets**

Capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. The Association 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 annual amortization rates are as follows:

| | |
|---|---|
| Leasehold improvements | 3 years |
| Furniture and fixtures | 7 years |
| Computer equipment | 3 years |
| Safety boats, motors and trailers | 5 years |
| Sailboats | 5 years |
| Vehicles | 5 years |
| Website | 3 years |

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

(e) **Financial instruments**

(i) **Measurement of financial statements**

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

The Association subsequently measures its financial assets and financial liabilities, at amortized cost, except for marketable securities, which are subsequently measured at fair value. Changes in fair value are recognized in net income in the period the change occurs.

Financial assets measured at amortized cost include cash and short term investments, accounts receivable, long term investment, and restricted investments.

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

(ii) **Impairment**

At the end of each reporting period, the Association assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Association, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Association determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Association identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the assets or group of assets or group of financial assets at the balance sheet date.

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

(e) **Financial instruments** (continued from previous page)

(ii) **Impairment** (continued from previous page)

Any impairment of the financial asset is charged to income in the period in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the period the reversal occurs.

(iii) **Related party financial instruments**

The Association 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 quoted in an active market and derivatives are measured at fair value. All other related party financial instruments are subsequently 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 Association initially measures nonfinancial 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.

(f) **Contributed services**

Volunteer time is contributed during the year to assist the Association in carrying out its sailing events and activities. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

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

(g) **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 and disclosures of contingent liabilities (if any) at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known. Actual results could differ from these estimates.

Key areas where management has made estimates relate to the collectibility of accounts receivable and amortization periods for capital assets. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which 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 required disclosures provide information that assists users of financial statements in assessing the extent of risk related to the Association's financial instruments.

The financial instruments of the Association and the nature of the risks to which it may be subject are as follows:

| | Risks | | | | |
|---|---|---|---|---|---|
| | | | Market risk | | |
| Financial instrument | Credit | Liquidity | Currency | Interest rate | Other price |
| Cash and short term investments | X | | | X | |
| Accounts receivable | X | | | | |
| Long term investment | X | | | X | |
| Restricted investments | X | | | X | |
| Accounts payable and accrued liabilities | | X | | | |

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

**Credit risk**

The Association 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 Association could incur a financial loss. The Association does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposures of the Association to credit risk are as follows:

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Cash and short term investments | **511,986** | 538,825 |
| Accounts receivable | **102,574** | 148,758 |
| Long term investment | **54,341** | 23,620 |
| Restricted investments | **106,152** | 117,585 |
| | **775,053** | 828,788 |

Credit risk associated with cash and short term investments, long term investment, and restricted investments is minimized substantially by ensuring that these assets are invested in financial obligations of major financial institutions that have been accorded investment grade ratings by a primary rating agency. An ongoing review is performed to evaluate changes in the status of the issuers of securities authorized for investment under the investment policy of the Association.

Credit risk associated with accounts receivable is reduced by monitoring member accounts receivable.

**Liquidity risk**

Liquidity risk is the risk that the Association cannot repay its obligations when they become due to its creditors. The Association has liquidity risk in accounts payable and accrued liabilities of $83,635 (2025 - $180,861).

The Association 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.

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. The Association is exposed to market risk arising from its investments in cash and short term investments, restricted investments, and long term investment.

i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association does not hold any assets denominated in a foreign currency and thus is not exposed to currency risk.

ii) **Interest rate risk**

Interest rate risk is the risk that the Association has interest rate exposure on financial obligations that are variable based on the bank's prime rate. This exposure may have an effect on its earnings in future periods. The Association is not exposed to interest rate risk as their investments are in guaranteed investment securities at fixed interest rates.

iii) **Other price risk**

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments 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 Association is not exposed to other price risk.

**Changes in risk**

There have been no significant changes in the Association's risk exposures from the prior year.

## 3. Cash and short term investments

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Cash | 34,576 | 37,601 |
| Guaranteed investment certificates | 477,410 | 501,224 |
| | 511,986 | 538,825 |

The guaranteed investment certificates mature between June 2026 and April 2027 (2025 - April 2025 and January 2026), bear interest between 2.25% to 3.25% (2025 - between 2.75% and 5.10%) and are cashable at any time without penalty.

## 4. Restricted investments

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Restricted investments - General Restricted Fund | 50 | 50 |
| Restricted investments - Hans Fogh Fund | 72,502 | 71,414 |
| Restricted investments - Alice Boston Fund | - | 20,987 |
| Restricted investments - Council of Commodores | 33,601 | 25,133 |
| | 106,153 | 117,584 |

The investments are recorded as non-current assets given the underlying contributions are to be used solely in accordance with restrictions stipulated by the related funds and are not available to fund general operations as disclosed in note 1(a).

During the year, the Alice Boston Fund was withdrawn in its entirety and provided to the Sarnia Yacht Club as directed by the Trustees of the Fund.

## 5. Long term investments

The long term investment is one non-redeemable guaranteed investment certificate (2025 - one) maturing in April 2027 (2025 - July 2026) and bearing interest at 3.10% (2025 - 3.15%).

6. **Capital assets**

| | 2026 | | |
|---|---|---|---|
| | Cost<br>$ | Accumulated Amortization<br>$ | Net Book Value<br>$ |
| Computer equipment | 20,592 | 17,888 | 2,704 |
| Furniture and fixtures | 8,652 | 8,377 | 275 |
| Safety boats, motors and trailers | 228,543 | 201,963 | 26,580 |
| Sailboats | 70,427 | 64,386 | 6,041 |
| Vehicles | 158,587 | 132,470 | 26,117 |
| | **486,801** | **425,084** | **61,717** |

| | 2025 | | |
|---|---|---|---|
| | Cost<br>$ | Accumulated Amortization<br>$ | Net Book Value<br>$ |
| Leasehold improvements | 17,835 | 17,835 | - |
| Computer equipment | 39,637 | 35,698 | 3,940 |
| Furniture and fixtures | 8,652 | 8,194 | 458 |
| Safety boats, motors and trailers | 239,636 | 182,139 | 57,497 |
| Sailboats | 88,729 | 76,883 | 11,846 |
| Vehicles | 158,587 | 122,048 | 36,539 |
| Website | 32,000 | 31,367 | 633 |
| | 585,076 | 474,164 | 110,913 |

During the year, the Association sold capital assets for $14,325 (2025 - $1,895) and realized a total gain of $5,181 (2025 - $1,337). The gain has been recorded in unrestricted net assets.

7. **Deferred revenue**

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Balance - beginning of year | 239,270 | 244,864 |
| Contributions received | 203,123 | 222,010 |
| Amount recognized as revenue | (231,379) | (227,604) |
| Balance - end of year | 211,014 | 239,270 |

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Program and membership fees | 203,123 | 222,010 |
| Capital contribution | 7,891 | 17,260 |
| | 211,014 | 239,270 |

Deferred revenue consists of the following:

i) Program and membership fees in the amount of $203,123 (2025 - $222,010) paid in advance, which will be realized in the following fiscal year.

ii) Capital contribution in the amount of $7,891 (2025 - $17,260) to be recorded as revenue over the same period and rate as the amortization on the capital assets the grants were used to purchase.

8. **Income taxes**

As the Association is a not-for-profit organization, it is not subject to income taxes.

9. **Ontario Ministry of Tourism, Culture and Sport**

The Association receives funding under the Ontario Amateur Sport Fund from the Ministry of Tourism, Culture and Sport to aid in the delivery of programs that support athletes, coaches, officials and volunteers. In 2026, the Association received and recognized revenues of $270,000 (2025 - $270,000) across various programs.

10. **Termination costs**

During the prior year, the Association incurred $121,048 of termination costs, of which $114,455 were included in accounts payable and accrued liabilities. There are no termination costs in the current year.

11. **Credit facility**

The Association has signed a credit facility agreement for a maximum borrowing of $100,000 bearing interest at prime plus 1.90%. The facility is secured by a non-redeemable GIC with a principal balance of $100,000. No amounts were withdrawn under this credit facility during the current year or the prior year.

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