Financial Statements of

CANADA ARTISTIC SWIMMING

And Independent Auditor’s Report thereon

Year ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Canada Artistic Swimming

Opinion

We have audited the financial statements of Canada Artistic Swimming (the "Association"), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Association as at end of March 31, 2026, and its results of operations, its changes in net assets 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 auditor's 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.

Other Matter

We draw attention to the fact that the supplementary information included in the accompanying Schedule does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion or any assurance on this supplementary information.

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 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 the financial statements.

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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

(date)

CANADA ARTISTIC SWIMMING

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 360,621	$ 872,579
Amounts receivable	124,937	229,072
Investments (note 2)	1,130,713	508,785
Inventories	19,864	23,473
Prepaid expenses	84,252	250,647
	1,720,387	1,884,556
Endowment assets	11,217	10,971
	$ 1,731,604	$ 1,895,527
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	$ 202,338	$ 196,783
Deferred revenue (note 5)	137,150	283,999
	339,488	480,782
Net assets:		
Unrestricted (note 6)	1,380,899	1,403,774
Endowment	11,217	10,971
	1,392,116	1,414,745
Contingencies (note 7)		
	$ 1,731,604	$ 1,895,527

See accompanying notes to financial statements.

On behalf of the Board:

______________________ Director ______________________ Director

CANADA ARTISTIC SWIMMING

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Registration, affiliation and entry fees	$ 1,828,259	$ 1,474,297
Sport Canada contributions	951,500	1,190,500
Rebates, interest and other revenue	140,736	289,487
Sport Canada - OTP contributions to INS	80,000	92,500
Canadian Olympic Committee	66,000	107,500
Coaching Association	9,866	7,200
Sale of products	7,433	10,579
Competition revenue (prize money)	8,187	123,194
Sponsorship and fundraising	–	13,686
	3,091,981	3,308,943
Expenses:		
High performance	1,121,652	1,439,634
Sport development	1,030,532	881,753
Cost of products sold	4,244	7,374
Administration:		
Payroll and benefits	648,848	588,304
Association	151,585	197,433
National office	70,388	82,490
Promotions and communication	64,733	71,165
Planning and management	22,628	23,944
	3,114,610	3,292,097
Excess (deficiency) of revenue over expenses	$ (22,629)	$ 16,846

See accompanying notes to financial statements.

CANADA ARTISTIC SWIMMING

Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Unrestricted	Endowment	Total 2026	Total 2025
Balance, beginning of year	$ 1,403,774	$ 10,971	$ 1,414,745	$ 1,397,899
Excess (deficiency) of revenue over expenses	(22,629)	–	(22,629)	16,846
Interest earned on endowment	(246)	246	–	–
Balance, end of year	$ 1,380,899	$ 11,217	$ 1,392,116	$ 1,414,745

See accompanying notes to financial statements.

CANADA ARTISTIC SWIMMING

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

		2026		2025
Cash provided by (used in):				
Operating activities:				
Excess (deficiency) of revenue over expenses	$	(22,629)	$	16,846
Change in non-cash operating working capital:				
Decrease in amounts receivable		104,135		125,995
Decrease (increase) in inventories		3,609		(6,247)
Decrease (increase) in prepaid expenses		166,395		(208,214)
Increase (decrease) in accounts payable and accrued liabilities		5,555		(26,102)
Increase (decrease) in deferred revenue		(146,849)		222,541
		110,216		124,819
Investing activities:				
Increase (decrease) in investments		(621,928)		20,122
Increase in endowment assets		(246)		(182)
		(622,174)		19,940
Increase (decrease) in cash		(511,958)		144,759
Cash, beginning of year		872,579		727,820
Cash, end of year	$	360,621	$	872,579

See accompanying notes to financial statements.

Canada Artistic Swimming (the “Association”) was originally incorporated under the Canada Corporations Act on November 14, 1969. Effective November 20, 2013, the Association continued its Articles of Incorporation under the Canada Not-for-Profit Corporations Act.

The Association, a Registered Canadian Amateur Athletic Association, is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act (Canada) and is able to issue receipts for income tax purposes for charitable donations.

The objectives of the Association are to promote interest and participation in artistic swimming.

1. Significant accounting policies:

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

(a) Revenue recognition:

The Association follows the deferral method of accounting for contributions for not-for-profit organizations.

Contributions include donations and grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions that are externally restricted for specific purposes are deferred and recognized as revenue in the period in which the related expenses are incurred. Contributions to endowment funds are recognized as direct increases in net assets and any disbursements of interest earned on the principal are recognized as revenue when the related disbursement is made.

Membership fees and sponsorships are recognized in the year to which the membership or sponsorship relates.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active mark are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset of the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Fund accounting:

The Association uses fund accounting. The unrestricted fund accounts for the general operations of the Association. The endowment fund supports swimmers in the Junior Duet chosen to represent Canada at the Junior World or World Youth championships. The total amount, normally awarded biennially, shall be an amount equal to the annual interest earned on the capital in this fund, subject to such adjustments as is necessary to preserve the capital and offer a suitable bursary. This amount will be divided equally between two duet swimmers (one duet) who meet the specified qualifications, to a maximum amount of $1,000 per athlete.

(d) Expenses:

In the statement of operations, the Association presents its expenses by function.

Expenses are recognized in the year incurred and are recorded in the function to which they are directly related.

The Association does not allocate expenses between functions after initial recognition.

(e) Inventories:

Inventories consist primarily of promotional items, educational and program material held for resale. Inventories are valued at the lower of cost and net realizable value.

(f) Donated goods and services:

Donated materials and services are recognized when their fair value can be reasonably estimated, they are used in the normal course of the Association's operations, and they would otherwise have been purchased. Donated materials and services are measured at fair value at the date of contribution.

(g) Cash and cash equivalents:

Cash and cash equivalents include deposits with financial institutions that can be withdrawn without prior notice or penalty and short-term deposits with an original maturity of 90 days or less.

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of the 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

2. Investments:

The Association has invested in non-redeemable guaranteed investment certificates of $1,130,713 (2025 - $508,785) with maturity dates between September 2026 and March 2027 and interest rate ranges of between 2.25% and 2.75%.

3. Line of credit:

The Association has an operating line of credit of $250,000. It is due on demand and bears interest at bank prime plus 1%, and is secured by a general security agreement covering all personal property of the Association. No amounts were drawn on this operating line as of March 31, 2026.

4. Accounts payable and accrued liabilities:

There are no amounts payable for government remittances as at years ended 2026 and 2025 for payroll or sales tax related items.

5. Deferred contributions:

Deferred contributions of $137,150 (2025 - $283,999) comprises 2027 National Team tryout registrations (2025 – 2026 World Cup contribution and 2026 National Team tryout registrations) for the subsequent year.

6. Net assets:

The Association considers its capital to consist of its unrestricted and endowment net asset funds. The Association's overall objective with its unrestricted net asset fund is to fund capital acquisitions, future projects and ongoing operations. The Association manages its capital by monitoring the net assets balance and intends to increase the balance in future years to cover future potential cash flow requirements that cannot be funded by restricted contributions from the Association's funders.

The Association's endowment fund is held to support swimmers in the Junior Duet chosen to represent Canada at the Junior World or World Youth Championships. During the year, investment income earned on resources held for endowment totaled $246 (2025 - $182). In accordance with the terms of the endowment, this amount was recognized as a direct increase in endowment net assets. No endowment investment income was recognized in the statement of operations or deferred at March 31, 2026 (2025 – $Nil).

The Association is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended March 31, 2025.

7. Contingencies:

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Association's records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions, have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

Contributions are accounted for on an accrual basis. Any portion of a contribution that has not been spent for the purpose it was intended is considered to be refundable to Sport Canada.

In the normal course of its operations, the Association is party to claims and legal proceedings. The Association makes provisions when it deems appropriate. In the opinion of management, the total amount of potential liability, net of amount accrued, if any, will not have any significant unfavourable impact on the Association's financial position.

8. Financial risks and concentration of risk:

The Association is subject to the following financial risks from its financial instruments:

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

8. Financial risks and concentration of risk (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk with respect to its accounts receivable. The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there were no amounts allowed for in accounts receivable.

(c) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuate because of changes in market prices. Mark risk comprises currency risk, interest rate risk and other price risk.

(i) Foreign 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 is not subject to currency risk as it does not hold financial instruments in foreign currencies.

(ii) Interest rate risk:

Interest rate risk arises when the fair value or future cash flows of a financial instrument fluctuates because of changes in market interest rates. The Association is exposed to interest rate risk on its credit facilities and investments as disclosed in note 2. The risk arises from changes in interest rates and the degree of volatility of these rates.

(iii) Other pricing 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 subject to other pricing risk as it does not hold equity investments.

There have been no changes from the prior year in the Association's risk exposures from its financial instruments or the policies, procedures and methods used to manage these risks.

CANADA ARTISTIC SWIMMING

Schedule of Revenue and Expenses – Sports Canada Contribution
(Unaudited)

Year ended March 31, 2026