BOBSLEIGH CANADA SKELETON

Financial Statements

Year Ended March 31, 2026

BOBSLEIGH CANADA SKELETON

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Year Ended March 31, 2026

BUCHANAN BARRY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bobsleigh Canada Skeleton

Opinion

We have audited the financial statements of Bobsleigh Canada Skeleton (the 'Organization'), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in deficiency 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 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 Organization 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.

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

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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.

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 Organization'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 Organization'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 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.

Buchanan Barry LLP

Calgary, Alberta
July 7, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

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BOBSLEIGH CANADA SKELETON

Statement of Financial Position

March 31, 2026

	Operating Fund	Capital Fund	**Total 2026**	Total 2025
ASSETS				
CURRENT				
Cash	$ 199,422	$ -	**$ 199,422**	$ 9,298
Accounts receivable	144,824	-	**144,824**	170,762
Prepaid expenses	14,019	-	**14,019**	14,019
	358,265	-	**358,265**	194,079
TANGIBLE CAPITAL ASSETS *(Note 4)*	-	79,564	**79,564**	106,602
	$ 358,265	$ 79,564	**$ 437,829**	$ 300,681
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	$ 329,632	$ -	**$ 329,632**	$ 307,085
Deferred sponsorships	35,000	-	**35,000**	61,067
Current portion of obligation under capital lease *(Note 6)*	-	32,164	**32,164**	30,043
Current portion of long-term debt *(Note 7)*	14,158	-	**14,158**	13,310
	378,790	32,164	**410,954**	411,505
OBLIGATION UNDER CAPITAL LEASE *(Note 6)*	-	52,565	**52,565**	84,716
LONG-TERM DEBT *(Note 7)*	-	-	**-**	14,328
	378,790	84,729	**463,519**	510,549
NET DEFICIENCY				
NET DEFICIENCY	(20,525)	(5,165)	**(25,690)**	(209,868)
	$ 358,265	$ 79,564	**$ 437,829**	$ 300,681

ECONOMIC DEPENDENCE *(Note 2)*

SUBSEQUENT EVENT *(Note 11)*

APPROVED ON BEHALF OF THE BOARD

Signed by:
David Lenty 7/8/2026 *Director*
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Signed by:
Amanda Edge 7/8/2026 *Director*
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BOBSLEIGH CANADA SKELETON

Statement of Operations

Year Ended March 31, 2026

	Operating Fund	Capital Fund	**Total 2026**	Total 2025
REVENUES				
Sport Canada *(Note 2)*	$ 840,000	$ -	**$ 840,000**	$ 943,772
Athlete membership and program fees	1,107,979	-	**1,107,979**	730,454
Canada Olympic Committee	741,622	-	**741,622**	286,000
Trust and other donations	279,706	-	**279,706**	171,043
International Bobsleigh and Skeleton Federation ("IBSF")	83,929	-	**83,929**	76,956
Sponsorship	119,192	-	**119,192**	54,459
Other income	60,001	-	**60,001**	34,772
	3,232,429	-	**3,232,429**	2,297,456
EXPENSES				
National team - bobsleigh	1,706,599	-	**1,706,599**	864,369
National team - skeleton	871,826	-	**871,826**	704,921
General and administrative	322,224	-	**322,224**	434,482
Amortization of tangible capital assets	-	84,052	**84,052**	105,180
Safe sport & gender equity (recovery)	(6,703)	-	**(6,703)**	36,423
Interest *(Notes 5, 6, 7)*	6,128	6,928	**13,056**	20,920
Professional fees	57,197	-	**57,197**	20,163
	2,957,271	90,980	**3,048,251**	2,186,458
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	275,158	(90,980)	**184,178**	110,998
OTHER INCOME				
Gain on disposal of tangible capital assets	-	-	**-**	67,998
Debt forgiveness *(Note 8)*	-	-	**-**	219,665
	-	-	**-**	287,663
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 275,158	$ (90,980)	**$ 184,178**	$ 398,661

BOBSLEIGH CANADA SKELETON

Statement of Changes in Deficiency

Year Ended March 31, 2026

	Operating Fund	Capital Fund	**2026**	2025
NET ASSETS (DEFICIENCY) - BEGINNING OF YEAR	$ (201,711)	$ (8,157)	**$ (209,868)**	$ (608,529)
Excess (deficiency) of revenue over expenses	275,158	(90,980)	**184,178**	398,661
Transfer from operating fund to capital fund *(Note 9)*	(93,972)	93,972	**-**	-
NET ASSETS (DEFICIENCY) - END OF YEAR	$ (20,525)	$ (5,165)	**$ (25,690)**	$ (209,868)

BOBSLEIGH CANADA SKELETON

Statement of Cash Flows

Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 184,178**	$ 398,661
Items not affecting cash:		
Amortization of tangible capital assets	**84,052**	105,180
Gain on disposal of tangible capital assets	**-**	(67,998)
Debt forgiveness	**-**	(219,665)
	268,230	216,178
Changes in non-cash working capital:		
Accounts receivable	**25,938**	143,804
Prepaid expenses	**-**	199
Deferred sponsorships	**(26,067)**	17,416
Accounts payable and accrued liabilities	**22,547**	(31,794)
	22,418	129,625
	290,648	345,803
INVESTING ACTIVITIES		
Purchase of tangible capital assets	**(57,014)**	-
Proceeds on disposal of tangible capital assets	**-**	67,998
	(57,014)	67,998
FINANCING ACTIVITIES		
Repayment of obligation under capital lease	**(30,030)**	(28,062)
Repayment of long-term debt	**(13,480)**	(12,362)
	(43,510)	(40,424)
INCREASE IN CASH	**190,124**	373,377
CASH (DEFICIENCY) - Beginning of year	**9,298**	(364,079)
CASH - End of year	**$ 199,422**	$ 9,298

1. PURPOSE OF THE ORGANIZATION

Bobsleigh Canada Skeleton (the "Organization") is a not-for-profit organization incorporated on March 22, 1990 under the Canada Corporations Act, Part II and continued under Canada Not-for-profit Corporations Act on July 28, 2014. Bobsleigh Canada Skeleton is registered as a tax-exempt Canadian Amateur Athletic Association under the Income Tax Act.

The Organization operates to promote the growth and development of bobsleigh and skeleton in Canada and its mission is to develop World and Olympic Champions. It receives funding from Sport Canada, the Canadian Olympic Committee and other sources.

2. ECONOMIC DEPENDENCE

During the year, the Organization received revenue of $840,000 (2025 - $843,772), which represents 26% (2025 - 41%) of its revenues, from Sport Canada. The Organization is economically dependent on this funding to continue its operating activities.

The Organization's purpose is to develop and administer the sport of bobsleigh and skeleton in Canada. The majority of revenue is earned under renewable contracts with the Government of Canada.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Cash and cash equivalents

Cash includes cash on hand and bank deposits. Highly liquid investments with maturities of three months or less at the date of purchase are considered to be cash equivalents.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Bobsleigh and skeletons	5 years
Tools and materials	10 years

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

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

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

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Revenue recognition

Bobsleigh Canada Skeleton follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization maintains the following restricted fund:

- The Capital Fund contains the assets, liabilities, revenues and expenses related to the purchase of capital assets.

Event revenues are recognized as revenue of the Operating Fund when the events are held.

Sponsorship and donor revenues are recognized as revenue of the Operating Fund over the term of the sponsorship agreement.

Athlete fees are recognized as revenue of the Operating Fund when they are received by the Organization.

Other income is recognized as earned and includes participation fees, grants, event cost recoveries, and revenue from labour and repair services related to sled maintenance and operations.

Foreign currency translation

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

Foreign exchange gains and losses on monetary assets and liabilities are included in the results of operations for the year.

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

Contributed services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. If fair value cannot be reasonably determined, donated goods are recorded at nominal value.

Research and development

The Organization incurs costs on activities that relate to research and development of composition of runners and sled materials. Research and development costs are expensed.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates and assumptions include the estimated useful life of tangible capital assets for amortization purposes, the net recoverable amount of accounts receivable, the estimated fair market value of donated goods and services, the fair value or replacement cost of capital assets in the event of a write-down, and the going concern assumption. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

Financial instruments

Measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying amount or exchange amount. The Organization subsequently measures all financial assets and liabilities at amortized cost.

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

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

Impairment

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of write-down is recognized as an impairment loss in the results of operations. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is no 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 the results of operations in the period the reversal occurs.

Transaction costs

The Organization recognizes transaction costs on the financial instruments subsequently measured at fair value in the results of operations in the period incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to that origination and acquisition of the financial instrument.

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Bobsleighs and skeletons	$ 1,477,478	$ 1,401,663	**$ 75,815**	$ 100,725
Tools and materials	20,309	16,560	**3,749**	5,877
	$ 1,497,787	$ 1,418,223	**$ 79,564**	$ 106,602

The following assets included above are held under capital lease (Note 6):

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Bobsleighs and skeletons	$ 145,809	$ 145,809	**$ -**	$ 29,152

5. BANK INDEBTEDNESS

The Organization has access to two revolving demand facilities of $400,000 and $100,000 for a total of $500,000. The $100,000 facility can only be drawn on from January 15 to June 30 of each year. Both facilities bear interest at the bank's prime interest rate plus 1.10% (2025 - bank's prime interest rate plus 1.10%) per annum. Bank indebtedness as at March 31, 2026 is $nil (2025 - $nil). Interest expense includes $1,510 (2025 - $6,893) of interest paid on these facilities. Borrowings are secured by a general security agreement constituting a first ranking security interest in all personal property of the Organization.

6. OBLIGATION UNDER CAPITAL LEASE

	2026	2025
Royal Bank of Canada lease bearing interest at 6.84% per annum, repayable in monthly blended payments of $3,235. The lease matures on October 11, 2028 and is secured by the underlying assets *(Note 4)*.	**$ 84,729**	$ 114,759
Amounts payable within one year	**(32,164)**	(30,043)
	$ 52,565	$ 84,716

Interest of $6,928 (2025 - $8,910) relating to the capital lease obligation has been included in interest expense under the capital fund.

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6. OBLIGATION UNDER CAPITAL LEASE *(continued)*

Future minimum capital lease payments are approximately:

2027	$	36,971
2028		36,971
2029		18,488
Total minimum payments		92,430
Less interest amount at 6.84%		(7,701)
	$	84,729

7. LONG-TERM DEBT

	2026	2025
Royal Bank of Canada non-revolving line of credit bearing interest at 4.89% per annum, repayable in monthly blended payments of $1,211. The loan matures on March 27, 2027.	**$ 14,158**	$ 27,638
Amounts payable within one year	**(14,158)**	(13,310)
	$ -	$ 14,328

Interest of $1,057 (2025 - $2,550) relating to long-term debt has been included in interest expense under the operating fund.

8. DEBT FORGIVENESS

In the prior year, the Organization received confirmation that a balance payable in the amount of $219,665 owing to Fasken Martineau DeMoulin LLP had been forgiven and all rights to collect the amount were waived by the creditor. This amount was included in the statement of operations as debt forgiveness in the prior year.

9. TRANSFER BETWEEN FUNDS

During the year, the Organization transferred funds from the Operating Fund to the Capital Fund to fund capital lease principal and interest payments and to finance the acquisition of tangible capital assets.

10. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk arises from the potential that third parties may default on their financial obligations. The Organization is exposed to credit risk on cash and accounts receivable.

The Organization's credit risk exposure on cash is minimized substantially by ensuring that cash is held with credible financial institutions.

The Organization's accounts receivable are due from a diverse group of customers and as such are subject to normal credit risks.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk to the extent of its negative 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 risk, interest rate risk and other price risk as more fully described below.

(a) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the Organization will fluctuate due to changes in foreign exchange rates. The Organization is exposed to foreign currency exchange risk on cash, accounts receivable and accounts payable held in USD and EURO currencies. The Organization does not use derivative instruments to reduce its exposure to currency risk but holds a bank account in EURO currency to manage risk in currency fluctuations. The Organization has $41,416 and $67,365 of payables denominated in EURO and USD, respectively, and $67,703 of accounts receivable balances denominated in EURO.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate cash flow risk primarily through its floating interest rate on its bank indebtedness.

(c) 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 caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.

11. SUBSEQUENT EVENT

On April 22, 2026, the Organization was notified of a potential legal claim relating to an injury which occurred on their premises. This matter arose subsequent to the financial statement date and does not relate to conditions existing at year-end; therefore, no adjustment has been made to these financial statements.

The Organization maintains insurance coverage that management expects will substantially cover any potential costs associated with this matter, subject to applicable deductibles and policy limits. Based on the information available at the date the financial statements were completed, management does not expect the matter to have a material adverse effect on the Organization's financial position or future operations. The financial effect, if any, cannot be reasonably estimated at this time.