

**Cross-Country Ski de Fond Canada
o/a Nordiq Canada**

Financial Statements

March 31, 2026

Independent Auditor's Report

To: The Members of **Cross-Country Ski de Fond Canada o/a Nordiq Canada**

Opinion

We have audited the financial statements of Cross-Country Ski de Fond Canada o/a Nordiq Canada (the "Organization"), 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 Organization as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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.

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 judgement 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.

Independent Auditor's Report (continued)

- 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.

Kennedy Mack Susarchuk Stewart LLP

Chartered Professional Accountants

July 2, 2026
Calgary, Alberta

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Financial Position

As at March 31,

2026

2025

Assets

Current assets

Cash (Note 4)	\$ 108,007	\$ -
Restricted cash (Note 8)	114,103	65,625
Contributions receivable	260,911	824,365
Prepaid expenses and deposits	48,536	42,484
Inventory	13,624	15,449
	<u>545,181</u>	<u>947,923</u>

Internally restricted investments (Note 5)

776,241 758,044

Internally restricted cash (Note 5)

652,984 666,750

Equipment (Note 6)

236,632 296,172

\$ 2,211,038 \$ 2,668,889

Liabilities and Net Assets

Current liabilities

Bank indebtedness (Note 4)	\$ -	\$ 120,850
Accounts payable and accrued liabilities	431,078	761,448
Deferred contributions (Note 8)	114,103	65,625

545,181 947,923

Deferred capital contributions (Note 7)

138,702 173,378

683,883 1,121,301

Net assets

Invested in equipment	97,930	122,794
Internally restricted funds (Note 5)	1,429,225	1,424,794

1,527,155 1,547,588

\$ 2,211,038 \$ 2,668,889

Approved on behalf of the Board:

_____ Morgan Rogers _____ Director

_____ ASchein _____ Director

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Operations

Year ended March 31,	2026	2025
Revenues		
Government and OTP contributions	\$ 2,540,000	\$ 2,655,250
Division and training centers directed donations	1,583,868	992,457
Membership, association and athlete fees	1,554,461	1,975,667
Fundraising projects	454,360	124,065
National Winter Sports Association	205,000	192,500
Donations in kind (Note 9)	202,316	319,547
Commercial sponsors	160,575	100,564
COC and CAC support	157,163	185,255
Miscellaneous	58,185	51,129
Sale of supplies	7,813	21,451
	<u>6,923,741</u>	<u>6,617,885</u>
Expenses		
Olympic stream high performance program	2,123,487	2,213,003
Division and training centers directed donations	1,537,540	974,929
Para-nordic high performance program	1,318,747	1,327,358
Administration	788,525	889,984
Athlete development	350,283	646,342
High performance development	206,831	142,754
Promotion and marketing	199,709	214,521
Events and officials	152,947	196,763
Membership support	146,153	225,597
Coaching development	138,149	187,689
	<u>6,962,371</u>	<u>7,018,940</u>
Deficiency of revenues over expenses before other income	(38,630)	(401,055)
Other income (losses)		
Interest income	51,150	75,860
Loss on internally restricted investments	<u>(32,953)</u>	<u>(30,623)</u>
Deficiency of revenues over expenses	<u>\$ (20,433)</u>	<u>\$ (355,818)</u>

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Changes in Net Assets

Year ended March 31,

2026

	Unrestricted	Internally restricted funds	Invested in equipment	Total
Balance, beginning of year	\$ -	\$ 1,424,794	\$ 122,794	\$ 1,547,588
Deficiency of revenues over expenses	(12,591)	18,197	(26,039)	(20,433)
Invested in equipment	(1,175)	-	1,175	-
Transfers (Note 5)	13,766	(13,766)	-	-
Balance, end of year	\$ -	\$ 1,429,225	\$ 97,930	\$ 1,527,155

2025

	Unrestricted	Internally restricted funds	Invested in equipment	Total
Balance, beginning of year	\$ -	\$ 1,763,578	\$ 139,828	\$ 1,903,406
Deficiency of revenues over expenses	(368,899)	42,836	(29,755)	(355,818)
Invested in equipment	(12,721)	-	12,721	-
Transfers (Note 5)	381,620	(381,620)	-	-
Balance, end of year	\$ -	\$ 1,424,794	\$ 122,794	\$ 1,547,588

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Statement of Cash Flows

Year ended March 31,	2026	2025
Operating activities:		
Deficiency of revenues over expenses	\$ (20,433)	\$ (355,818)
Items not affecting cash:		
Amortization	59,370	73,100
Loss on internally restricted investments	32,953	30,623
Reinvested restricted income	(50,878)	(73,134)
Loss on sale of equipment	1,345	-
Amortization of deferred capital contributions	(34,676)	(43,345)
	(12,319)	(368,574)
Changes in non-cash working capital items:		
Contributions receivable	563,454	(282,195)
Prepaid expenses and deposits	(6,052)	26,924
Inventory	1,825	4,430
Accounts payable and accrued liabilities	(330,369)	92,542
Deferred contributions	48,478	(17,561)
	265,017	(544,434)
Investing activities:		
Purchase of investments	(273)	(326)
Proceeds from sale of investments	-	850,000
Purchase of equipment	(1,175)	(12,721)
	(1,448)	836,953
Increase in cash	263,569	292,519
Cash, beginning of year	611,525	319,006
Cash, end of year	\$ 875,094	\$ 611,525
Cash consists of:		
Cash (bank indebtedness)	108,007	(120,850)
Restricted cash	114,103	65,625
Internally restricted cash	652,984	666,750
	\$ 875,094	\$ 611,525

See accompanying notes to the financial statements

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2026

1. Nature of operations

Cross-Country Ski de Fond Canada o/a Nordiq Canada (the “Organization”) is incorporated under the Not-for-Profit Corporations Act, continuing the operations of the Canadian Ski Organization – Cross Country Discipline. It serves as the governing body of Cross Country Skiing in Canada and is a registered Canadian Amateur Athletic Organization under the Income Tax Act which is exempt from corporate tax. The Organization’s operations are dependent on funding received from government grants, corporate sponsors, and members.

The accompanying financial statements reflect the assets, liabilities, and operating results of the Organization. These statements do not reflect the assets, liabilities, or operating results of any of the affiliated entities of the Organization.

2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepting accounting principles, specifically Canadian accounting standards for not-for-profit organizations.

3. Significant accounting policies

(a) Measurement uncertainty

The preparation of financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Amortization is based on the estimated useful lives of capital assets. Actual results could differ from those estimates.

(b) Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair market value, except for certain non-arm’s length transactions. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, except for internally restricted investments, which are measured at fair market value. Changes in fair market value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, restricted cash, internally restricted cash and contributions receivable. Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 net income.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2026

3. Significant accounting policies (continued)

(c) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Other assets, liabilities and items affecting earnings are translated into Canadian dollars at rates of exchange in effect at the date of the transaction. Gains or losses arising from these foreign currency transactions are included in the determination of income.

(d) Cash and cash equivalents

The Organization considers all bank accounts and bank loans that are utilized periodically for day to day operations, and all investments with maturities of three months or less or guaranteed investment certificates that are redeemable to be cash equivalents.

(e) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in the net realizable value of the inventories.

(f) Equipment

Equipment is recorded at cost. The Organization provides for amortization using the declining balance method at rates designed to amortize the cost of the equipment over their estimated useful lives. A half year of amortization is recorded in the year of acquisition and no amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Treadmills	20%
Wax truck	20%
Ski grinders	20%
Computer equipment	30%
Sit ski sleds	20%
Generator and sport equipment	20%
Office equipment	20%

The Organization records a write-down when the capital assets no longer have any long-term service potential to the Association and its net carrying amount exceeds the residual value. The excess net carrying amount over residual value is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2026

3. Significant accounting policies (continued)

(f) Net assets invested in equipment

Net assets invested in equipment comprise the net book value of equipment less the unamortized balance of deferred capital contributions.

(g) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions, membership fees and amounts from fundraising projects and commercial sponsors 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 deferred and recognized as revenue in the year in which the related expenses are incurred.

Operating reserve contributions are reported as direct increases to net assets. Net investment income earned on internally restricted investments which are held in the operating reserve is recognized in the statement of operations.

Revenue from sales of inventory is recognized when title passes to customers, which is generally at the time goods are shipped if the amount to be received can be reasonably estimated and collection is reasonably assured.

(h) Contributed materials and services

The Organization and its athletes receive materials and services that are donated free of charge by manufacturers and suppliers. In addition, other marketing services, and training resources are donated to the Organization. The donated materials and services that would have otherwise been purchased by the Organization are recorded at fair market value when such value can be reasonably estimated. The fair market value of these resources is reported in revenue as donations in kind and as expenses in the programs to which they relate.

The amounts recorded for donations in kind and donated materials and services are based on management estimates of fair market value. By their nature, these estimates are subject to measurement uncertainty.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2026

4. Overdraft lending agreement

An overdraft lending agreement has been authorized to a maximum of \$190,000 and bears interest at the Bank of Montreal's prime lending rate plus 2.875%. The loan is repayable on demand. No amount is outstanding on the loan at year end (2025 – no amount outstanding).

5. Internally restricted funds

The board of directors has internally restricted funds to sustain future financial operations and to fund management initiatives not otherwise funded within the operating budget. Restricted investments for the operating and safety in sport reserve and Nordiq Canada development fund were invested in the Canadian Olympic Foundation during 2022 and 2021. Internally restricted reserves are related to:

	2025		2026	
	Balance, end of year	Excess of revenue over expenses	Board approved transfers	Balance, end of year
Operating reserve	\$ 524,760	\$ 13,962	\$ -	\$ 538,722
Safety in sport reserve	60,000	-	-	60,000
Total operating reserve	584,760	13,962	-	598,722
Nordiq Canada development fund	173,284	4,235	-	177,519
Strategic priorities fund	666,750	-	(13,766)	652,984
	<u>\$ 1,424,794</u>	<u>\$ 18,197</u>	<u>\$ (13,766)</u>	<u>\$ 1,429,225</u>

Operating and safety in sport reserve

The operating and safety in sport reserve was established as part of Nordiq Canada's risk management strategy. The reserve is to ensure financial sustainability upon any potential unforeseen financial need.

Nordiq Canada development fund

The Nordiq Canada development fund is a reserve for the purpose of developing high performance athletes. Funds within the reserve earn interest income and annual disbursements are made to support approved projects.

Strategic priorities fund

The strategic priorities fund was established in 2021 as a result of unanticipated membership growth and budget impacts, both related to the COVID-19 pandemic. This fund has been established to fund planned management initiatives that are not otherwise funded through standard operations.

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2026

6. Equipment

			2026	2025
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Treadmills	\$ 293,631	\$ 184,191	\$ 109,440	\$ 136,800
Wax truck	227,793	213,705	14,088	17,610
Ski grinders	142,461	100,627	41,834	52,292
Computer equipment	4,994	2,405	2,589	3,617
Sit ski sleds	43,600	20,213	23,387	29,235
Generator and sport equipment	86,445	41,243	45,202	56,503
Office equipment	2,485	2,393	92	115
	\$ 801,409	\$ 564,777	\$ 236,632	\$ 296,172

7. Deferred capital contributions

Deferred capital contributions represent donations directed for the purchase of specific capital equipment. These donations are amortized into revenues on the same basis as the cost of the associated capital equipment is amortized into expenses. The changes in the deferred capital contributions balance for the year are as follows:

	2026	2025
Balance, beginning of the year	\$ 173,378	\$ 216,723
Amount amortized into revenue	(34,676)	(43,345)
Balance, end of the year	\$ 138,702	\$ 173,378

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2026

8. Deferred contributions

Deferred contributions represent grants from the Canadian Olympic Committee and Sport Canada to subsidize programs to be undertaken by the Organization. Such grants are recognized as revenue in the relevant programs as expenses are incurred.

	<u>2026</u>	<u>2025</u>
Balance, beginning of the year	\$ 65,625	\$ 83,186
Restricted contributions received	78,341	25,378
Utilized, during the year	<u>(29,863)</u>	<u>(42,939)</u>
Balance, end of the year	<u>\$ 114,103</u>	<u>\$ 65,625</u>

9. Donated materials and services

During the year, \$202,316 (2025 - \$319,547) in materials and services were received as donations in kind from various sponsors and contributors, all of which is included in the high-performance programs expense.

10. Trust funds

These financial statements do not include trust funds of \$538,095 (2025 - \$684,149) held on behalf of athletes at year end. The investment of these funds is at the direction of the athletes to outside investment advisors retained by the athletes. The trust funds are quoted at fair market value and have not been audited as part of these financial statements.

11. Expenses incurred for fundraising

Expenses incurred for soliciting donations and commercial sponsorship were \$71,158 (2025 - \$92,497).

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2026

12. Financial instruments

The Organization's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. Operations are located in both western and eastern Canada.

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 currency rates. The Organization is exposed to currency risk on its foreign denominated accounts payable and accrued liabilities. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from contributors; however, the Organization's contributors are primarily government organizations and corporate sponsors, which minimize credit risk. Credit risk is managed by the Organization through monitoring procedures. At year end, 25% (2025 - 41%) of contributions receivable were owing from one (2025 – one) contributor. The Organization is also exposed to credit risk on cash and investment deposits. The Organization minimizes this risk by holding its deposits with creditworthy Canadian financial institutions in accordance with the Organization's investment policies.

Financial assets

The carrying amounts of financial assets recognized in the financial statements consist of:

	<u>2026</u>	<u>2025</u>
Measured at amortized cost	\$ 1,136,005	\$ 1,556,740
Measured at fair market value	<u>776,241</u>	<u>758,044</u>
	<u>\$ 1,912,246</u>	<u>\$ 2,314,784</u>

Cross-Country Ski de Fond Canada o/a Nordiq Canada

Notes to Financial Statements

March 31, 2026

13. Government funding and use of funds (unaudited)

The table below shows the government grants received in the year and how the government funding was spent:

	CSAI	Enhanced Excellence AB	NextGen AB	Enhanced Excellence AWAD	NextGen AWAD	Core AB	Core AWAD
Funding	300,000	82,500	73,250	702,000	89,500	785,000	285,000

Use of funds

	CSAI	Enhanced Excellence AB	NextGen AB	Enhanced Excellence AWAD	NextGen AWAD	Core AB	Core AWAD
Administration	45,000	-	-	36,891	-	50,594	-
Coaching and technical leadership	-	27,075	24,880	100,559	26,330	171,104	189,799
Governance	-	-	-	-	-	6,376	-
National team programs	-	55,425	48,370	492,600	55,966	221,316	18,802
Daily Training Environment	-	-	-	60,000	7,204	-	-
Long term development	255,000	-	-	-	-	100,608	8,662
Management and admin salaries	-	-	-	11,950	-	230,001	37,000
Official languages	-	-	-	-	-	5,001	5,001
Sport programs	-	-	-	-	-	-	25,736
TOTAL	300,000	82,500	73,250	702,000	89,500	785,000	285,000