Equine Canada (operating as "Equestrian Canada")
Financial Statements
For the Year Ended March 31, 2026

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Independent Auditor's Report

To the board of directors and members of Equine Canada

Opinion

We have audited the financial statements of Equine Canada (operating as Equestrian Canada) (the "Organization"), which comprise the statement of financial position as at March 31, 2026, 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 financial performance and 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.

Other Matters

The financial statements of the Organization for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on the financial statement on May 15, 2025.

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 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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
May 4, 2026

Equine Canada
operating as "Equestrian Canada"
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash	$ 1,637,265	$ 1,576,986
Accounts receivable (Note 3)	442,109	317,136
Prepaid expenses	178,841	163,157
	2,258,215	2,057,279
Investments (Note 2)	1,669,000	1,501,304
Investments held by the Canadian Olympic Foundation (Note 9)	58,489	-
Tangible capital assets (Note 4)	94,355	81,535
	$ 4,080,059	$ 3,640,118
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	$ 554,230	$ 689,684
Deferred revenue and contributions (Note 5)	2,238,276	1,550,322
	2,792,506	2,240,006
Contractual obligations (Note 7)		
Contingencies (Note 10)		
Net Assets		
Invested in tangible capital assets	94,355	81,535
Unrestricted	1,179,770	1,318,577
Internally restricted (Note 9)	13,428	-
	1,287,553	1,400,112
	$ 4,080,059	$ 3,640,118

On behalf of the Board:

______________________ President

______________________ Chief Executive Officer

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

Statement of Changes in Net Assets

For the year ended March 31	Internally restricted	Invested in tangible capital assets	Unrestricted	2026	2025
Balance, beginning of the year	$ -	$ 81,535	$ 1,318,577	$ 1,400,112	$ 1,551,274
Deficiency of revenues over expenses	-	-	(156,635)	(156,635)	(151,162)
Amortization of tangible capital assets	-	(18,706)	18,706	-	-
Investments held by the Canadian Olympic Foundation (Note 9)	13,428	-	30,648	44,076	-
Acquisition of tangible capital assets	-	31,526	(31,526)	-	-
Balance, end of the year	$ 13,428	$ 94,355	$ 1,179,770	$ 1,287,553	$ 1,400,112

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

Equine Canada
operating as "Equestrian Canada"
Statement of Operations

For the year ended March 31	2026	2025
Revenue		
Sport licence fees	$ 3,212,871	$ 2,689,007
Competition levies and fees	1,111,762	1,056,392
Sport Canada funding	1,071,500	1,084,500
Equine medication control	399,050	385,880
Discipline – general revenue	310,684	296,509
Donations, fundraising and sponsorship	271,877	979,163
Membership	145,727	513,482
Product sales and e-course revenue	117,662	158,191
Other revenue	51,091	85,311
Discipline – major games	11,546	520,017
Other government funding	1,160	30,900
	6,704,930	7,799,352
Expenses		
Amortization of tangible capital assets	18,706	15,344
Bad debt expense	43,414	-
Cost of goods sold	151,000	191,189
Discipline – general expenses	1,760,540	1,842,696
Discipline – major games	35,216	853,326
Equine medication control	179,878	173,476
Events	19,114	129,227
Information technology	187,235	157,669
Marketing and communications	55,328	91,172
Meetings and travel	206,446	169,924
Office and miscellaneous	568,493	662,282
Professional fees	103,282	168,505
Realized loss on exchange	7,751	-
Rental	21,270	21,270
Safe sport	504,853	263,513
Salaries and benefits	2,999,039	3,210,921
	6,861,565	7,950,514
Deficiency of revenues over expenses	$ (156,635)	$ (151,162)

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

Equine Canada
operating as "Equestrian Canada"
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Deficiency of revenues over expenses	$ (156,635)	$ (151,162)
Items not affecting cash:		
Amortization of tangible capital assets	18,706	15,344
	(137,929)	(135,818)
Changes in non-cash working capital:		
Accounts receivable	(124,973)	(26,796)
Prepaid expenses	(15,684)	124,876
Accounts payable and accrued liabilities	(135,454)	136,869
Deferred revenue and contributions	673,541	29,731
	259,501	128,862
Cash flows from investing activities		
Purchase of investments	(167,696)	(151,788)
Acquisition of tangible capital assets	(31,526)	(1,808)
Net increase (decrease) in cash	60,279	(24,734)
Cash, beginning of the year	1,576,986	1,601,720
Cash, end of the year	$ 1,637,265	$ 1,576,986

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

1. Significant Accounting Policies

Nature and Purpose of Organization	The Organization is a national organization with the mandate to act as a national voice for the horse sport, the horse recreational activities, and all the horse industry of Canada. On January 26, 2016, the Organization officially changed its operating name to Equestrian Canada. The Organization incorporated under Part II of the Canada Corporations Act. Effective October 10, 2015, the Organization refreshed its Articles under the Canada Not-for-profit Corporations Act. The Organization is a Canadian registered amateur athletic association organized to carry on its activities without the purpose of gain for its members and as such is not subject to income tax under the Income Tax Act (Canada). Any surplus shall be used in promoting its objectives.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Revenue Recognition	The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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 include Sport Canada funding, discipline revenue, donations, fundraising, and sponsorships. Membership and sports license fees are deferred and recognized as revenue proportionately over the year to which they relate. Competition levies and fees, equine medical control revenues, and sponsorships are recognized when the event occurs. Revenue from sales of merchandise is recognized when the goods have been transferred and collection is reasonably assured. Restricted net investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted net investment income is recognized as revenue when earned.

1. Significant Accounting Policies (continued)

Financial Instruments

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Tangible Capital Assets

Purchased tangible capital assets are stated at cost less accumulated amortization.

Tangible capital assets are amortized on a straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	5 years
Leasehold improvements	shorter of useful life or term of lease

When a tangible capital asset no longer contributes to the Organization's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations.

Contributed Materials and Services

Contributed materials and services, due to the difficulty in determining the fair value of materials contributed to the Organization, are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The primary estimate relates to the valuation of accounts receivable.

March 31, 2026

1. Significant Accounting Policies (continued)

Translation of foreign currency

The Organization uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Exchange gains and losses are included in the statement of operations.

2. Investments

Investments are comprised of high cash performer fund units and are held for long-term purposes.

3. Accounts Receivable

	2026	2025
Trade receivables	$ 399,249	$ 243,443
Other receivables	36,425	50,214
Commodity taxes receivable	19,455	23,479
Allowance for doubtful accounts	(13,020)	-
	$ 442,109	$ 317,136

4. Tangible Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	$ 207,854	$ 178,065	$ 176,328	$ 174,551
Leasehold improvements	237,466	172,900	237,466	157,708
	445,320	350,965	413,794	332,259
		$ 94,355		$ 81,535

March 31, 2026

5. Deferred Revenue and Contributions

Deferred revenue and contributions represent funds received to cover operating expenses in subsequent years as well as restricted contributions. Deferred contributions represent restricted funding received in the current and previous periods that is related to expenses of a subsequent period.

	2026	2025
Sport license fees	$ 1,047,629	$ 882,249
Donations	799,402	300,966
Provincial and Territorial Sport Organizations	238,963	237,343
Other	137,869	129,764
Élisabeth Brosda Memorial Fund (Note 9)	14,413	-
	$ 2,238,276	$ 1,550,322

Changes in the deferred contributions balance are as follows:

	2026	2025
Beginning balance	$ 300,966	$ 263,576
Add: amounts received in the year	769,543	186,881
Less: amounts recognized as revenue in the year	(271,107)	(149,491)
Ending balance	$ 799,402	$ 300,966

6. Credit Facility

The Organization has an authorized operating line of credit of $250,000 that is due on demand and bears interest at the bank's prime rate plus 1.00%, calculated and payable monthly. It is secured by a general security agreement covering $265,000. At March 31, 2026, the Organization had undrawn credit capacity under this facility of $250,000.

7. Contractual Obligations

The Organization leases office premises and storage space. Lease commitments over the next five years are as follows:

2027	$	166,185
2028	$	167,541
2029	$	168,897
2030	$	170,253
2031	$	42,649
	$	715,525

Effective January 2023, the Organization has subleased its office premises to June 2030.

8. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The Organization is also exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to $100,000. This risk has increased due to higher accounts receivable and cash balances, as well as a greater proportion of accounts receivable remain overdue at year end.

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. Consequently, some assets are exposed to foreign exchange fluctuations. As at year end, cash balances of $420,305 (2025 - $214,632) are denominated in US dollars and converted into Canadian dollars. This risk has increased due to the increase in cash held in US dollars.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to changes in interest rates related to its investments. The Organization’s primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return. There have not been significant changes in the risk from the prior year.

9. Investments held by the Canadian Olympic Foundation

The Organization has invested funds under agreements with the Canadian Olympic Foundation (the "Foundation").

Under the terms of the agreements, the funds are administered by the Foundation in accordance with their Endowment Policy and Granting Policy. For investment purposes, the assets of the funds may be pooled with other amounts held by the Foundation and are not held as separate trust funds. The Foundation provides the Organization with an annual accounting report of each fund on a calendar year basis.

The Organization may make contributions to the funds and is able to request the withdrawal of all or part of their contributions from the funds at any time.

The purpose of the Élisabeth Brosda Memorial Fund ("Brosda Fund") is to support international competition, sport science, training, equipment and sport education.

Contributions are made by both the Organization and external donors. Due to the restricted nature of the Brosda Fund, contributions made by the Organization totaling $13,428 are classified as internally restricted net assets based on direction from the Board of Directors, and subject to modification at the Board of Directors' discretion. Contributions from external donors, totaling $14,413, are subject to donor-imposed restrictions and are therefore recorded as deferred revenue and recognized as revenue when the funds are used for their intended purposes.

10. Contingencies

As at March 31, 2026, the Organization has been named as a defendant and respondent in a number of claims. The Organization has engaged legal counsel, and its insurance provider has also retained counsel in respect of these matters. As at March 31, 2026, no provision has been recorded, as management has determined that the likelihood and amount of any potential loss cannot be reasonably estimated. Therefore, no provision for these claims has been reflected in the financial statements.

11. Comparative Information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.