

Financial Statements

9018344 Canada Society
(Operating as Sport for Life Society)

March 31, 2025

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Independent Auditor's Report

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To the Members of

9018344 Canada Society (Operating as Sport for Life Society)

Opinion

We have audited the financial statements of 9018344 Canada Society (the "Society"), which comprise the statement of financial position as at March 31, 2025, 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 Society as of March 31, 2025, 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 Society 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 – supplementary information

We draw attention to the fact that the supplementary information included in the Summary 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, a review conclusion, or any other form of 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 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.



Chartered Professional Accountants

Vancouver, Canada
June 24, 2025

9018344 Canada Society (Operating as Sport for Life Society)

Statement of Operations

Year ended March 31	2025	2024
Revenue		
Contributions	\$ 3,553,141	\$ 4,220,824
Fee for service	183,491	676,265
Other revenue	169,922	120,270
Resource sales	102,677	102,988
Sponsorships	58,283	91,146
Interest income	28,496	21,118
	4,096,010	5,232,611
Expenses		
Project management	1,592,364	1,941,193
Employee salaries & benefits	1,464,928	1,718,949
Meetings and travel	328,344	383,457
Operations services	269,032	177,114
Education and training	159,995	313,885
Production	98,514	151,983
Leadership services	94,925	215,347
	4,008,102	4,901,928
Excess of revenues over expenses	\$ 87,908	\$ 330,683

9018344 Canada Society (Operating as Sport for Life Society)

Statement of Financial Position

March 31	2025	2024
Assets		
Current assets		
Cash	\$ 1,067,047	\$ 797,320
Accounts receivable (Note 7)	642,020	883,850
	<u>1,709,067</u>	<u>1,681,170</u>
Tangible capital assets (Note 3)	2,528	4,587
Due from Physical Literacy for Life (Note 5)	40,018	80,018
	<u>\$ 1,751,613</u>	<u>\$ 1,765,775</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 478,885	\$ 595,625
Deferred revenue (Note 8)	719,311	704,641
	<u>1,198,196</u>	<u>1,300,266</u>
Net assets		
Operating reserve	59,267	-
Special program reserve	66,803	-
Unrestricted	427,347	465,509
	<u>553,417</u>	<u>465,509</u>
	<u>\$ 1,751,613</u>	<u>\$ 1,765,775</u>

Approved on behalf of the Board of Directors

Ram Nayyar

Director

Nathan Wong

Director

Ram Nayyar

Nathan Wong

9018344 Canada Society (Operating as Sport for Life Society)**Statement of Changes in Net Assets**Year ended March 31

	Operating reserve	Special program reserve	Unrestricted	2025	2024
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net assets, beginning of year	\$ -	\$ -	\$ 465,509	\$ 465,509	\$ 134,826
Transfer	59,267	66,803	(126,070)	-	-
Excess of revenue over expenses	<u>-</u>	<u>-</u>	<u>87,908</u>	<u>87,908</u>	<u>330,683</u>
Net assets, end of year	<u>\$ 59,267</u>	<u>\$ 66,803</u>	<u>\$ 427,347</u>	<u>\$ 553,417</u>	<u>\$ 465,509</u>

See accompanying notes to the financial statements.

9018344 Canada Society (Operating as Sport for Life Society)

Statement of Cash Flows

Year ended March 31	2025	2024
Cash derived from (applied to)		
Operating activities		
Excess of revenues over expenses	\$ 87,908	\$ 330,683
Items not affecting cash		
Amortization of tangible capital assets	2,059	2,059
Amortization of intangible assets	-	3,273
	<u>89,967</u>	<u>336,015</u>
Change in non-cash working capital		
Accounts receivable	241,830	364,536
Accounts payable and accrued liabilities	(116,740)	(333,317)
Deferred revenue	14,670	127,643
	<u>229,727</u>	<u>494,877</u>
Investing activity		
Purchase of tangible capital assets	-	(3,410)
Financing activities		
Repayments from related parties	40,000	10,000
Repayment of CEBA loan	-	(40,000)
	<u>40,000</u>	<u>(30,000)</u>
Increase in cash	269,727	461,467
Cash, beginning of year	<u>797,320</u>	<u>335,853</u>
Cash, end of year	<u>\$ 1,067,047</u>	<u>\$ 797,320</u>

9018344 Canada Society (Operating as Sport for Life Society)

Notes to the Financial Statements

March 31, 2025

1. Nature of Society

The 9018344 Canada Society (the "Society") is a not-for-profit corporation incorporated under the Canada Not-for-profit Corporations Act (NFP act) on September 12, 2014. The Society is exempt from income taxes under the Income Tax Act.

The purpose of the Society is:

- (a) To improve the quality of sport programs and services throughout Canada by facilitating the development and implementation of Long-Term Athlete Development plans with national sport organizations, provincial/territorial sport organizations, multi-sport organizations and local sport organizations.
- (b) To use Sport for Life - Long-Term Athlete Development principles and values to facilitate the alignment and integration of sport and physical activity programs and services being delivered by national sport organizations, provincial/territorial sport organizations, multi-sport organizations and local sport organizations.
- (c) To support the development and implementation of Sport for Life by collaborating with sport, education, recreation, and health sectors to advance physical literacy, sporting excellence and being active for life.
- (d) To advance knowledge of Sport for Life - Long-Term Athlete Development.

2. Summary of significant accounting policies

Basis of presentation

The Society prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Presentation of controlled organizations

These financial statements present only the activities of the Society. The Society's accounting policy is to not consolidate controlled organizations. The Financial position and the results of operations and cash flows of organizations that are controlled by the Society (Physical Literacy for Life ("PL4L")) are summarized in Note 6.

Cash

Cash includes cash on hand.

Property and equipment

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Furniture and fixtures	55% declining balance
Computer and equipment	20% declining balance

9018344 Canada Society (Operating as Sport for Life Society)

Notes to the Financial Statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Intangible capital assets

Development costs for PLAYBuilder educational software are being amortized on a straight-line basis over their estimated useful lives of five years.

Donated services and materials

The value of donated services and materials have not been reflected in these financial statements as the values are undeterminable.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Contributions are recorded as revenue when received or receivable except when the donor has specified that they are intended for a specific use or a future period, in which case they are deferred and recognized in the period the related expenditures are incurred.

All other revenue sources are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Project management expenses

Project management expenses relate to costs incurred by contractors and delivery partners in the performance and delivery of projects for the entity.

Financial instrument policy

The Society initially measures its financial assets and financial liabilities at fair value. All other financial instruments are reported at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and due from Physical Literacy for Life.

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

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the entity at exchange rates in effect at the transaction dates. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate on the reporting date.

9018344 Canada Society (Operating as Sport for Life Society)

Notes to the Financial Statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Measurement uncertainty

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 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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. Tangible capital assets			2025	2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer and equipment	\$ 20,124	\$ 18,990	\$ 1,134	\$ 2,728
Furniture and fixtures	9,235	7,841	1,394	1,859
	<u>\$ 29,359</u>	<u>\$ 26,831</u>	<u>\$ 2,528</u>	<u>\$ 4,587</u>

5. Due from Physical Literacy for Life	2025	2024
Physical Literacy For Life	<u>\$ 40,018</u>	<u>\$ 80,018</u>

Advances from a related Society are non-interest bearing and have no set repayment terms.

9018344 Canada Society (Operating as Sport for Life Society)

Notes to the Financial Statements

March 31, 2025

6. Controlled organizations

PL4L is a controlled organization by virtue of common directors, members, and management. It was incorporated under the Canada Not-for-profit Corporations Act on September 16, 2011, and is a registered not-for-profit charitable organization, thus it is exempt from income taxes. The purpose of the organization is to:

- (a) Educate the general public about the benefits of physical literacy and its effects on the health and wellbeing of individuals, family, and communities; and
- (b) Educate the public and interested organizations in developing healthy lifestyle habits by aggregating, sharing, and publishing evidence-based accumulated data.

The financial summary for PL4L as at March 31, 2025, and 2024 is as follows:

	PL4L	
	2025	2024
Statement of financial position		
Total assets	\$ 93,160	\$ 50,374
Total liabilities	55,047	102,469
Net assets	\$ 38,113	\$ (52,095)
Statement of operations		
Revenues	\$ 107,350	\$ 236,925
Expenses	14,786	231,649
Surplus	\$ 92,564	\$ 5,276
Cash flows		
Operating activities	\$ (157,960)	\$ (157,960)
Financing activities	(10,000)	(10,000)
(Decrease) increase in cash	\$ (167,960)	\$ (167,960)

7. Related party transactions

The Society pays certain common expenses on behalf of Physical Literacy for Life and is reimbursed for these expenses. Accounts receivable includes \$26,728 from Physical Literacy for Life for administrative services, income for this is recorded in statement of operations as part of fee for services. The amounts due from Physical Literacy for Life are non-interest bearing and are usually reimbursed at the end of each quarter. The transactions were entered in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9018344 Canada Society (Operating as Sport for Life Society)

Notes to the Financial Statements

March 31, 2025

8. Deferred revenue	Opening Balance	Contributions Recognized	Current Year Additions	Ending Balance
Contributions	\$ 616,167	\$ (3,553,141)	\$ 3,644,285	\$ 707,311
Fees for Service	88,474	(183,491)	107,017	12,000
	<u>\$ 704,641</u>	<u>\$ (3,736,632)</u>	<u>\$ 3,751,302</u>	<u>\$ 719,311</u>

9. Financial instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2025.

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. In order to reduce its credit risk, the Society requests deposits before the service is delivered.

Currency risk

Currency risk is the risk to the entity's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to foreign currency exchange risk on cash and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

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 Society manages exposure through its normal operating and financing activities.

9018344 Canada Society (Operating as Sport for Life Society)

Summary Schedule of Operations and Surpluses (Unaudited)

Year ended March 31

	Sport Canada	Physical Literacy	PHAC PL4C	International	Strategic Initiatives	Society Operations	Knowledge Scaling	SPA-PL	2025 Total	2024 Total
Revenue										
Contributions	\$ 885,900	\$ 44,505	\$ 936,388	\$ 9,025	\$ 67,745	\$ (49,087)	\$ 25,717	\$ 1,632,948	\$ 3,553,141	\$ 4,220,824
Fee for service	-	27,265	-	77,502	62,917	-	15,807	-	183,491	676,265
Other revenue	-	-	5,988	-	-	-	163,934	-	169,922	120,270
Resource sales	-	-	-	-	-	-	102,677	-	102,677	102,988
Sponsorships	-	-	-	-	-	-	58,283	-	58,283	91,146
Interest income	-	-	-	-	-	28,496	-	-	28,496	21,118
	<u>885,900</u>	<u>71,770</u>	<u>942,376</u>	<u>86,527</u>	<u>130,662</u>	<u>(20,591)</u>	<u>366,418</u>	<u>1,632,948</u>	<u>4,096,010</u>	<u>5,232,611</u>
Expenses										
Project management	78,070	28,000	414,819	26,100	26,058	3,061	107,370	908,886	1,592,364	1,941,193
Employee salaries & benefits	400,928	13,525	396,388	-	-	312,333	53,920	287,834	1,464,928	1,718,949
Meetings and travel	79,965	6,329	68,836	8,378	3,905	15,529	109,008	36,394	328,344	383,457
Operations services	14,378	500	3,308	1,371	890	164,341	64,506	19,738	269,032	177,114
Education and training	35,303	9,321	25,434	8,810	3,950	-	26,631	50,546	159,995	313,885
Production	44,334	340	16,984	-	6,509	7,504	14,098	8,745	98,514	151,983
Leadership services	23,546	-	700	1,413	3,663	2,500	113	62,990	94,925	215,347
Admin allocation	94,800	10,854	-	15,500	12,776	(367,042)	33,207	199,905	-	-
Interfund expenses	<u>119,455</u>	<u>1,200</u>	<u>18,624</u>	<u>-</u>	<u>1,370</u>	<u>3,062</u>	<u>(201,620)</u>	<u>57,909</u>	<u>-</u>	<u>-</u>
	<u>890,779</u>	<u>70,069</u>	<u>945,093</u>	<u>61,572</u>	<u>59,121</u>	<u>141,288</u>	<u>207,233</u>	<u>1,632,947</u>	<u>4,008,102</u>	<u>4,901,928</u>
Excess of revenue over expenses	<u>\$ (4,879)</u>	<u>\$ 1,701</u>	<u>\$ (2,717)</u>	<u>\$ 24,955</u>	<u>\$ 71,541</u>	<u>\$ (161,879)</u>	<u>\$ 159,185</u>	<u>\$ 1</u>	<u>\$ 87,908</u>	<u>\$ 330,683</u>