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**RUGBY ONTARIO**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Members  
Rugby Ontario  
TORONTO  
Ontario

### *Opinion*

We have audited the accompanying financial statements of Rugby Ontario which comprise the statement of financial position as at December 31, 2024 and the statement of operations and changes in net assets and statement of 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 entity as at December 31, 2024 and the results of its 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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

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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 entity'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 entity'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 entity 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.



NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

April 9, 2025

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# RUGBY ONTARIO

## STATEMENT OF FINANCIAL POSITION

As at December 31,	2024	2023
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 976,931	\$ 612,033
Accounts receivable	109,150	322,419
Prepaid expenses	<u>19,606</u>	<u>15,825</u>
	\$ 1,105,687	\$ 950,277
<b>Investment in Fletcher's Fields Limited (Note 3)</b>	1	1
<b>Capital Assets (Note 2)</b>	<u>9,946</u>	<u>17,915</u>
	<u>\$ 1,115,634</u>	<u>\$ 968,193</u>

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## LIABILITIES

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 154,366	\$ 142,509
HST payable	71,776	71,534
Deferred revenue (Note 4)	<u>269,417</u>	<u>124,287</u>
	\$ 495,559	\$ 338,330
<b>NET ASSETS</b>	<u>620,075</u>	<u>629,863</u>
	<u>\$ 1,115,634</u>	<u>\$ 968,193</u>

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Approved by the Board:

 Director

 Director

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## RUGBY ONTARIO

### STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31,	2024	2023
<b>REVENUES</b> (Note 5)		
Member registration	\$ 773,249	\$ 721,463
High performance	562,031	683,723
Rugby development	496,936	576,958
Operations	<u>479,352</u>	<u>444,164</u>
	<u>\$ 2,311,568</u>	<u>\$ 2,426,308</u>
<b>EXPENSES</b>		
Finance and administration	\$ 1,253,456	\$ 1,104,746
High performance	562,760	701,034
Rugby development	<u>505,140</u>	<u>585,456</u>
	<u>\$ 2,321,356</u>	<u>\$ 2,391,236</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ (9,788)	\$ 35,072
<b>NET ASSETS</b> - Beginning	<u>629,863</u>	<u>594,791</u>
<b>NET ASSETS</b> - Ending	<u>\$ 620,075</u>	<u>\$ 629,863</u>

See accompanying notes

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# RUGBY ONTARIO

## STATEMENT OF CASH FLOWS

For the year ended December 31,

2024

2023

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### CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

#### OPERATING ACTIVITIES

Excess of revenues over expenses	\$	(9,788)	\$	35,072
Items not affecting cash:				
Amortization		<u>10,641</u>		<u>13,161</u>
	\$	853	\$	48,233
Net change in non-cash working capital balances:				
Accounts receivable		213,269		(244,765)
Prepaid expenses		(3,781)		(12,908)
Accounts payable and accrued liabilities		11,857		91,976
HST payable		242		71,534
Deferred revenue		<u>145,130</u>		<u>(28,973)</u>
	\$	367,570	\$	(74,903)

#### INVESTING ACTIVITIES

Purchase of capital assets		<u>(2,672)</u>		<u>(5,957)</u>
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#### INCREASE (DECREASE) IN CASH

	\$	364,898	\$	(80,860)
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#### CASH - Beginning

		<u>612,033</u>		<u>692,893</u>
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#### CASH - Ending

	\$	<u>976,931</u>	\$	<u>612,033</u>
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# RUGBY ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### NATURE OF OPERATIONS

Rugby Ontario (the "Organization") was established to promote, develop and administer the playing of rugby football throughout Ontario. It was incorporated under the laws of Ontario and is a not-for-profit organization.

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

a) **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used. Significant estimates include the estimated useful life of capital assets.

b) **Cash and Cash Equivalents**

Cash and cash equivalents consists of balances held in the Organization's bank accounts only.

c) **Investments in Non-Publicly Traded Shares**

Investments in non-publicly traded shares are initially recorded and subsequently measured at cost. A provision for write-down is made when the decline in value of a particular investment is considered other than temporary.

d) **Capital Assets**

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets on a straight-line basis using the following annual rates:

	<u>Rate</u>
Turf	5 years
Computer equipment	3 years
Office equipment	5 years
Leasehold improvements	5 years

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# RUGBY ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### e) Impairment of Capital Assets

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

#### f) Revenue Recognition

The Organization follows the deferral method of accounting for revenues which includes various government, agency, and corporate funding and member registration and fees. Unspent contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Funding received and restricted for specific projects, programs and events is recognized when the project, program or event takes place or when the corresponding expenditures are incurred. Government assistance is recognized when received or receivable and collection is reasonably assured and when any condition as to its use have been met. Membership registration fees are recognized over the course of the membership period.

#### g) Financial Instruments

##### Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The Organization subsequently measures all its financial assets and liabilities at cost or 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.

##### Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess of revenues over expenses and may be subsequently reversed to the extent that the net effect after reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.



# RUGBY ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 2. CAPITAL ASSETS

Capital assets consist of the following:

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Turf	\$ 30,242	\$ 30,242	\$ -	\$ 3,023
Computer equipment	78,729	74,467	4,262	10,237
Office equipment	32,624	31,580	1,044	2,687
Leasehold improvements	11,905	7,265	4,640	1,968
	<u>\$ 153,500</u>	<u>\$ 143,554</u>	<u>\$ 9,946</u>	<u>\$ 17,915</u>

### 3. RELATED PARTY BALANCES AND TRANSACTIONS

The following related party has engaged in transactions with Fletcher's Fields Limited. A corporation of which the Organization holds a 1/6th share interest.

The Organization's investment in Fletcher's Fields Limited consists of one common share and is recorded at cost being \$1.

In 2021, Fletcher's Fields Limited sold their land. Proceeds received by Fletcher's Fields Limited have been invested in the Canadian Rugby Foundation (CRF). These CRF funds are intended for re-investment in rugby activities in the province of Ontario. As a result, Rugby Ontario made applications to the CRF to receive some of the funds to re-invest back into areas that impact the game. Rugby Ontario received \$145,000 (2023 - \$145,000) from the CRF and utilized it in the following areas:

Club Development	\$ 50,000
Referee Development	41,000
Coach Development	25,000
Minor Rugby	20,000
IDEA & Safe Sport	5,000
Mixed Ability Rugby	4,000
	<u>\$ 145,000</u>

These funds are included in revenues across the specific categories for which they were granted. It is expected that an application for a similar amount will be made in 2025 and allocated to activities depending on need and impact.

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# RUGBY ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 4. DEFERRED REVENUE

Deferred revenue consists of government and other grants from various sources received for items and projects where the corresponding expenditure will take place in the subsequent year. Deferred revenue consists of:

	2024	2023
OBDA Girls (a)	\$ 83,614	\$ -
OBDA Boys (a)	79,957	3,675
OASF Funding (b)	42,000	-
Quest for Gold (c)	26,477	68,936
Club Renewal (a)	16,560	3,797
Youth Rugby (a)	11,932	6,963
OHPSI Funding (d)	5,027	37,125
Alternative Competitions (a)	2,200	-
Coach Certification (a)	1,166	3,481
Referee Development (e)	300	300
RO Dues	184	10
	<u>\$ 269,417</u>	<u>\$ 124,287</u>

- a) Program funding received and deferred for 2025 programming.
- b) The funding term extends over two fiscal years. The portion being deferred is for expenses to be incurred in the subsequent year, but takes place within the funding term.
- c) Funding received for supporting high performance athletes through either direct support to individual athletes or to support high performance programming. Deferred amount will be recognized as high performance program expenses are incurred in the subsequent year.
- d) Ontario High Performance Sport Initiative (OHPSI) funding received from Canadian Sport Institute Ontario (CSIO). Deferred amount related to expenses to be incurred in the subsequent year.
- e) Rugby Canada funding provided to Rugby Ontario to facilitate Blue Card training for Match Officials. Funds will be used in 2025 to offset Educator costs to complete the training sessions.

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# RUGBY ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 5. REVENUES

The Organization received various grants, sponsorships and fundraising revenues which have been allocated to various revenue categories in the statement of operations as follows:

	2024			
	Grants	Sponsorship	Fundraising	Total
Operations	\$ 207,000	\$ 3,176	\$ 570	\$ 210,746
Rugby development	249,697	629	-	250,326
High performance	245,941	7,500	-	253,441
	<u>\$ 702,638</u>	<u>\$ 11,305</u>	<u>\$ 570</u>	<u>\$ 714,513</u>

	2023			
	Grants	Sponsorship	Fundraising	Total
Operations	\$ 280,138	\$ 4,092	\$ 146	\$ 717,827
Rugby development	363,254	803	-	211,518
High performance	183,940	5,000	-	173,445
	<u>\$ 827,332</u>	<u>\$ 9,895</u>	<u>\$ 146</u>	<u>\$ 1,102,790</u>

Included in grants revenue is government assistance of \$382,093 from Ministry of Tourism, Culture and Sport (2023 - \$283,424) and \$31,313 from Employment & Social Development Canada (2023 - \$136,965).

Rugby Ontario received \$145,000 from the CRF which is included in revenue in 2024 across the specific categories for which they were granted. See Note 3 for further details.

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# RUGBY ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 6. FINANCIAL INSTRUMENTS

#### Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at December 31, 2024:

#### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The Organization provides credit to its members in the normal course of operations. There has been no change in the assessment of credit risk from the previous year.

#### b) 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 this risk mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the previous year.

#### c) 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 price risk. The Organization is not exposed to significant market risk.

### 7. COMPARATIVE FIGURES

Certain of the comparative figures have been restated in order to conform with the presentation adopted in the current year.