
RUGBY ONTARIO
FINANCIAL STATEMENTS
DECEMBER 31, 2025

INDEX

- Pages 1-2. Independent Auditor's Report**
- 3. Statement of Financial Position**
- 4. Statement of Operations and Changes in Net Assets**
- 5. Statement of Cash Flows**
- 6-12. Notes to Financial Statements**

INDEPENDENT AUDITOR'S REPORT

To the Members
Rugby Ontario

Opinion

We have audited the financial statements of Rugby Ontario which comprise the statement of financial position as at December 31, 2025, 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, 2025 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 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 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.

- 1 -

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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

June 3, 2026

RUGBY ONTARIO

STATEMENT OF FINANCIAL POSITION

As at December 31,

2025

2024

ASSETS

Current

Cash	\$ 112,490	\$ 976,931
Investments (Note 2)	575,000	-
Accounts receivable	173,027	109,150
Prepaid expenses	53,145	19,606
	<u>\$ 913,662</u>	<u>\$ 1,105,687</u>

Investment in Fletcher's Fields Limited (Note 4)

1 1

Capital Assets (Note 3)

4,184 9,946

\$ 917,847 \$ 1,115,634

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 148,261	\$ 154,366
HST payable	4,565	71,776
Deferred revenue (Note 5)	180,425	269,417
	<u>\$ 333,251</u>	<u>\$ 495,559</u>

NET ASSETS

584,596 620,075

\$ 917,847 \$ 1,115,634

Approved by the Board:



Director



Director

RUGBY ONTARIO

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31,

2025

2024

REVENUES (Note 6)

Member registration	\$ 806,384	\$ 773,249
High performance	620,337	562,031
Revenue generation	504,336	455,900
Rugby development	436,998	496,936
Finance and administration	22,100	23,452
	<u>\$ 2,390,155</u>	<u>\$ 2,311,568</u>

EXPENSES

Finance and administration	\$ 1,205,806	\$ 1,061,995
High performance	611,838	562,760
Rugby development	462,496	505,140
Revenue generation	145,494	191,461
	<u>\$ 2,425,634</u>	<u>\$ 2,321,356</u>

DEFICIENCY OF REVENUES OVER EXPENSES

\$ (35,479) \$ (9,788)

NET ASSETS - Beginning

620,075 629,863

NET ASSETS - Ending

\$ 584,596 \$ 620,075

See accompanying notes

- 4 -

RUGBY ONTARIO

STATEMENT OF CASH FLOWS

For the year ended December 31,

2025

2024

CASH WAS PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Deficiency of revenues over expenses	\$ (35,479)	\$ (9,788)
Items not affecting cash:		
Amortization	<u>5,762</u>	<u>10,641</u>
	\$ (29,717)	\$ 853
Net change in non-cash working capital balances:		
Accounts receivable	(63,877)	213,269
Prepaid expenses	(33,539)	(3,781)
Accounts payable and accrued liabilities	(6,105)	11,857
HST payable	(67,211)	242
Deferred revenue	<u>(88,992)</u>	<u>145,130</u>
	\$ (289,441)	\$ 367,570

INVESTING ACTIVITIES

Purchase of investments	\$ (575,000)	\$ -
Purchase of capital assets	<u>-</u>	<u>(2,672)</u>
	\$ (575,000)	\$ (2,672)

INCREASE (DECREASE) IN CASH

\$ (864,441) \$ 364,898

CASH - Beginning

976,931 612,033

CASH - Ending

\$ 112,490 \$ 976,931

RUGBY ONTARIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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

RUGBY ONTARIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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, investments, 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 deficiency 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, 2025

2. INVESTMENTS

Investments consist of the following:

	2025	2024
RBC Cashable GIC bearing interest at 2.70% (maturing September 10, 2026)	\$ 325,000	\$ -
RBC Cashable GIC bearing interest at 2.70% (maturing September 10, 2026)	<u>250,000</u>	<u>-</u>
	<u>\$ 575,000</u>	<u>\$ -</u>

3. CAPITAL ASSETS

Capital assets consist of the following:

	2025		2024	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Turf	\$ 30,242	\$ 30,242	\$ -	\$ -
Computer equipment	78,729	77,310	1,419	4,262
Office equipment	32,624	31,845	779	1,044
Leasehold improvements	<u>11,905</u>	<u>9,919</u>	<u>1,986</u>	<u>4,640</u>
	<u>\$ 153,500</u>	<u>\$ 149,316</u>	<u>\$ 4,184</u>	<u>\$ 9,946</u>

RUGBY ONTARIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

4. RELATED PARTY BALANCES AND TRANSACTIONS

The Organization 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 (2024 - \$145,000) from the CRF and utilized it in the following areas:

	2025	2024
Referee Development	\$ 34,700	\$ 41,000
Rugby Development	26,500	-
Operations & Admin	22,100	-
Jr. Competitions	19,800	-
Coach Development	13,800	25,000
Youth Competitions	10,300	-
Minor Rugby	5,700	20,000
Club Development	5,300	50,000
IDEA & Safe Sport	5,100	5,000
Mixed Ability Rugby	1,700	4,000
	<u>\$ 145,000</u>	<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 2026 and allocated to activities depending on need and impact.

RUGBY ONTARIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

5. 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:

	2025	2024
Jr Blues 15s Girls (a)	\$ 46,433	\$ -
Jr Blues 15s Boys (a)	41,137	-
Jr Blues 7s Girls (a)	22,847	-
Jr Blues 7s Boys (a)	22,078	-
Club Renewal (a)	16,800	16,560
HP Development (a)	15,642	-
OHPSI Funding (c)	6,517	5,027
Quest for Gold (b)	3,967	26,477
Sr. Women's Program (a)	3,315	-
Coach Certification (a)	1,389	1,166
Referee Development (d)	300	300
OBDA Girls (a)	-	83,614
OBDA Boys (a)	-	79,957
OASF Funding	-	42,000
Youth Rugby (a)	-	11,932
Alternative Competitions (a)	-	2,200
RO Dues	-	184
	<u>\$ 180,425</u>	<u>\$ 269,417</u>

- a) Program funding received and deferred for 2026 programming.
- b) 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.
- c) 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.
- d) Rugby Canada funding provided to Rugby Ontario to facilitate Blue Card training for Match Officials. Funds to be used in 2026 to offset Educator costs to complete the training sessions.

RUGBY ONTARIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

6. 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:

	2025			
	Grants	Sponsorship	Fundraising	Total
Revenue generation	\$ 252,000	\$ 3,500	\$ 4,146	\$ 259,646
High performance	214,532	6,097	478	221,107
Rugby development	196,368	-	9,044	205,412
Finance and administration	<u>22,100</u>	<u>-</u>	<u>-</u>	<u>22,100</u>
	<u>\$ 685,000</u>	<u>\$ 9,597</u>	<u>\$ 13,668</u>	<u>\$ 708,265</u>
	2024			
	Grants	Sponsorship	Fundraising	Total
Revenue generation	\$ 207,000	\$ 1,000	\$ 570	\$ 210,746
High performance	245,941	7,500	-	253,441
Rugby development	249,697	629	-	250,326
Finance and administration	<u>-</u>	<u>2,176</u>	<u>-</u>	<u>2,176</u>
	<u>\$ 702,638</u>	<u>\$ 11,305</u>	<u>\$ 570</u>	<u>\$ 716,689</u>

Included in grants revenue is government assistance of \$252,000 from Ministry of Tourism, Culture and Sport (2024 - \$382,093) and \$10,836 from Employment & Social Development Canada (2024 - \$31,313).

Rugby Ontario received \$145,000 from the CRF which is included in revenue in 2025 across the specific categories for which they were granted. See Note 4 for further details.

RUGBY ONTARIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

7. 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, 2025:

a) 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. As at the year end, the Organization had cash and investment balances of \$687,470 with a single financial institution, Royal Bank of Canada. Of this total, only the first \$100,000 is insured by the CDIC per depositor, per insured category, in the event of a member institution's failure. The amount in excess of the federally insured limit was therefore uninsured at the year end. The Organization has not experienced any losses on its deposits and believes the risk of loss to be minimal.

In addition, the Organization is exposed to credit risk with respect 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 pertaining to accounts receivable from the prior 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.

8. COMPARATIVE FIGURES

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