Financial statements of Sport Nova Scotia

March 31, 2026

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Independent Auditor's Report

To the Board of Directors of Sport Nova Scotia

Opinion
We have audited the financial statements of Sport Nova Scotia (the Organization), which comprise the statement of financial position as at March 31, 2026, the statements of revenue and expenses, 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 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 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

Halifax, Nova Scotia
June 30, 2026

Sport Nova Scotia
Statement of financial position
March 31, 2026

($)	Notes	Sport Devel.	Building	General	KidSport	Canada Games	2026 Total	2025 Total
Current Assets								
Cash & cash equivalents		2,272,954	295,859	403,095	525,706	230,209	3,727,823	2,863,222
Accounts receivable		2,638	96,415	78,252	54,254	-	231,559	375,081
Interest receivable		53,783	3,351	-	44,863	418	102,415	368,359
Prepaid expenses		21,849	78,150	137,713	6,331	88,532	332,575	367,641
Inventory		-	1,478	25,668	15,629	-	42,775	44,235
Short-term investments	3	7,000,000	550,000	-	2,230,502	-	9,780,502	14,480,502
		-	-	-	-	-		
Capital Assets	4	-	649,440	48,614	-	-	698,054	731,892
Total Assets		**9,351,224**	**1,674,693**	**693,342**	**2,877,285**	**319,159**	**14,915,703**	**19,230,932**
Liabilities								
Accounts payable		584,168	39,965	76,222	33,812	99,401	833,568	799,282
PNS deferred revenue	10	2,935,578	-	51,038	2,221,425	225,976	5,434,017	7,982,308
Deferred revenue	10	2,660,781	57,544	34,602	48,419	-	2,801,346	4,821,966
Interfund		43,961	(6,529)	(36,870)	5,656	(6,218)	-	-
Wages payable		-	-	103,225	-	-	103,225	90,974
Total Liabilities		**6,224,488**	**90,980**	**228,217**	**2,309,312**	**319,159**	**9,172,156**	**13,694,530**
Equity								
Unrestricted		-	-	416,511	-	-	416,511	559,724
Internally restricted		-	934,273	-	-	-	934,273	832,230
Restricted		3,126,736	-	-	567,973	-	3,694,709	3,412,556
Investment in capital assets		-	649,440	48,614	-	-	698,054	731,892
Total Equity		**3,126,736**	**1,583,713**	**465,125**	**567,973**	**-**	**5,743,547**	**5,536,402**
		9,351,224	**1,674,693**	**693,342**	**2,877,285**	**319,159**	**14,915,703**	**19,230,932**

Sport Nova Scotia

Statement of revenues and expenses

March 31, 2026

($)	Sport Devel.	Building	General	KidSport	Canada Games	2026 Total	2025 Total
Revenues							
PNS funding	8,594,382	-	644,799	1,179,543	290,825	10,709,549	10,128,400
Other funding/grants	300,573	43,322	-	175,932	5,490	525,317	355,636
Events	-	-	54,093	6,896	-	60,989	133,585
Sponsorship	-	-	146,256	141,390	378,350	665,996	381,431
Fundraising/donations	-	-	347,775	59,680	-	407,455	409,882
Member services	-	-	145,310	-	-	145,310	211,515
Rental income	-	889,836	(189,966)	-	-	699,870	746,847
Interest & other	276,511	24,987	16,890	91,136	4,904	414,428	808,743
Total Revenues	**9,171,466**	**958,145**	**1,165,157**	**1,654,577**	**679,569**	**13,628,914**	**13,176,039**
Expenses							
Salaries & benefits	2,413,404	34,233	975,910	177,934	11,894	3,613,375	3,630,782
Allocations	3,910,907	-	-	-	-	3,910,907	3,808,168
Grants	1,796,872	-	-	1,253,025	-	3,049,897	3,116,067
Contractor/other	106,940	23,148	55,365	734	-	186,187	87,416
Programs	233,121	-	34,408	-	662,826	930,355	442,821
Property & utilities	71,769	217,921	(64,031)	7,642	146	233,447	289,435
Property tax	-	141,655	-	-	-	141,655	127,285
Professional fees	89,611	24,969	35,189	5,334	4,672	159,775	121,396
Software, dues, fees	83,032	128	36,364	2,433	15	121,972	26,027
Fundraising/events	-	-	427,047	21,727	-	448,774	516,815
Advertising/promotion	18,471	-	135,013	146,901	-	300,385	342,510
Travel, meals, meetings	147,133	-	6,807	2,051	-	155,991	50,203
Printing & postage	2,956	67	23,797	1,095	-	27,915	10,713
Other expenses (income)	39,814	3,162	13,415	1,810	16	58,217	(152,622)
Total Expenses	**8,914,030**	**445,283**	**1,679,284**	**1,620,686**	**679,569**	**13,338,852**	**12,417,016**
Amortization	8,596	58,260	15,484	577	-	82,917	91,501
Surplus (Deficit)	**248,840**	**454,602**	**(529,611)**	**33,314**	**-**	**207,145**	**667,522**

See Schedule 1 for Sport Devel. details and Schedule 2 for General details

Sport Nova Scotia

Statement of changes in net assets

March 31, 2026

($)	Internally Restricted Building	Unrestricted General	Restricted Sport Development	Restricted KidSport	2026 Total Consolidated	2025 Total Consolidated
Beginning Balance	**832,230**	**559,724**	**2,877,896**	**534,660**	**4,804,510**	**4,136,637**
Capital asset additions	(35,820)	(13,259)	-	-	(49,079)	(91,150)
Add back amortization	58,260	24,657	-	-	82,917	91,501
Current year surplus/(deficit)	454,602	(529,611)	248,840	33,314	207,145	667,522
Internal transfer	(375,000)	375,000	-	-	-	-
Closing Balance	**934,272**	**416,511**	**3,126,736**	**567,974**	**5,045,493**	**4,804,510**
Capital assets	698,054	-	-	-	698,054	731,892
Retained Earnings	**1,632,326**	**416,511**	**3,126,736**	**567,974**	**5,743,547**	**5,536,402**

Sport Nova Scotia
Statement of cash flows
March 31, 2026

($)	2026	2025
Cash flows from operating activities		
Excess of revenues over expenses	207,145	667,522
Amortization not affecting cash	82,917	91,501
Changes in non-cash working capital items:		
Decrease in accounts and interest receivable	409,466	175,164
Decrease (Increase) in prepaid expenses and inventory	36,526	(318,895)
Increase in accounts payable and accrued liabilities	46,537	130,691
(Decrease) in deferred revenue	(4,568,911)	(1,841,664)
Cash flows from operating activities	**(3,786,320)**	**(1,095,681)**
Cash flows from investing activities		
Investment in capital assets	(49,079)	(91,150)
Purchase of short-term investments	(9,180,502)	(17,801,452)
Proceeds from short-term investments	13,880,502	20,525,000
Cash flows from investing activities	**4,650,921**	**2,632,398**
Net cash inflow (outflow)	864,601	1,536,717
Cash and Cash Equivalents, beginning year	2,863,222	1,326,505
Cash at end of period	**3,727,823**	**2,863,222**

1. Basis of presentation

Sport Nova Scotia (the "Organization") is a non-profit organization incorporated to assist and promote amateur sport in Nova Scotia.

2. Accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

Net Assets

Net assets are grouped into three types: unrestricted, internally restricted, and restricted funds. Unrestricted funds can be used freely by the Organization. Internally restricted and restricted funds must be used for specific purposes or follow certain spending rules. These funds are used according to the approved annual budgets set by the Sport Nova Scotia Board of Directors.

The restricted funds (Sport Development and KidSport), the internally restricted fund (Building), and the unrestricted fund (General), are maintained as separate funds, each with its own bank account.

Revenue recognition

Revenue from funding is recognized in accordance with the deferral method. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from rental properties include rent from tenants under lease agreements, property tax and operating cost recoveries, parking income and incidental income.

Rental revenue from leases with contractual rent increases and other incentives, also referred to as stepped rents, is recognized based on a straight-line basis over the term of the lease. The difference between the rental revenue recognized and the amounts contractually due under the lease agreements are charged to accrued rent receivable.

Membership dues are taken into income at the beginning of the membership term.

Cash and cash equivalents

Cash and cash equivalents comprise of cash and short-term investments with a term to maturity of three months or less at the date of acquisition.

2. **Accounting policies** (continued)

Capital assets

Capital assets are recorded at cost and donated equipment is recorded at fair value. Capital assets are being amortized on the straight-line basis over their estimated useful lives as follows:

Building	25 years
Furniture and fixtures, and System Implementation Costs	10 years
Computer hardware and software	3 years

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Financial instruments

The Organization initially measures financial assets and liabilities at cost, and subsequently at amortized cost. Assets are tested for impairment when indicators exist. If expected future cash flows decline, the carrying amount is reduced and the loss recognized in net income. Impairment losses may be reversed if conditions improve, up to the amount that would have been reported without the impairment, with the reversal recognized in net income.

3. Short-term investments

Short-term investments consist of the following GIC's with a combined cost of $9,780,502 ($14,480,502 in 2025) and a market value of $9,880,405 ($15,080,748 in 2025).

($)	2026	2025
$3,000,000 GIC earning interest at (prime -2%) and maturing March 31, 2027	3,000,000	-
$2,000,000 GIC earning interest at 3.15% and maturing July 25, 2026	2,000,000	-
$2,000,000 GIC earning interest at 3.15% and maturing July 25, 2026	2,000,000	-
$1,000,000 GIC earning interest at 2.80% and maturing December 10, 2026	1,000,000	-
$1,000,000 GIC earning interest at 2.90% and maturing March 12, 2027	1,000,000	-
$300,000 GIC earning interest at 2.58% and maturing March 12, 2027	300,000	-
$250,000 GIC earning interest at 2.70% and maturing December 2, 2026	250,000	-
$200,000 GIC earning interest at 2.58% and maturing March 12, 2027	200,000	-
$30,502 GIC earning interest at 2.91% and maturing April 16, 2026	30,502	-
$3,000,000 GIC earning interest at 5.15% and maturing April 3, 2025	-	3,000,000
$2,000,000 GIC earning interest at 5.15% and maturing April 3, 2025	-	2,000,000
$2,000,000 GIC earning interest at 5.05% and maturing July 25, 2025	-	2,000,000
$2,000,000 GIC earning interest at 2.88% and maturing March 28, 2026	-	2,000,000
$2,000,000 GIC earning interest at 2.95% and maturing March 28, 2026	-	2,000,000
$1,000,000 GIC earning interest at 2.90% and maturing March 12, 2026	-	1,000,000
$750,000 GIC earning interest at 3.65% and maturing January 29, 2026	-	750,000
$500,000 GIC earning interest at 4.63% and maturing July 24, 2025	-	500,000
$300,000 GIC earning interest at 3.75% and maturing September 26, 2025	-	300,000
$300,000 GIC earning interest at 3.80% and maturing December 1, 2025	-	300,000
$200,000 GIC earning interest at 3.80% and maturing December 2, 2025	-	200,000
$200,000 GIC earning interest at 3.45% and maturing January 28, 2026	-	200,000
$200,000 GIC earning interest at 3.45% and maturing January 29, 2026	-	200,000
$30,502 GIC earning interest at 5.15% and maturing April 16, 2025	-	30,502
Total Short-term investments	**9,780,502**	14,480,502

4. Capital Assets

($)	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land	300,000	-	300,000	300,000
Building	2,065,263	1,858,623	206,640	191,327
Furniture and fixtures	1,525,645	1,363,001	162,644	201,447
Computer hardware and software	360,447	331,677	28,770	39,118
Total Capital Assets	**4,251,355**	**3,553,301**	**698,054**	**731,892**

5. Income taxes

The Organization is registered under the Societies Act of the Province of Nova Scotia and is exempt from income tax on its operations.

6. Commitments

The Organization leases office equipment under a lease agreement expiring in March 2028. Future lease payments aggregate $14,504 and are payable over the next 24 months.

7. Contributed goods and services

During the year, the Organization recorded $618,975 in donated goods and services ($283,099 in 2025). The majority of these contributions relate to public awareness campaigns, program promotion, and fundraising activities. In 2025, the Organization also received a one-time discount of $368,350 related to team uniforms for the Nova Scotia Canada Games. All of these contributions have been recognized at their fair market value on the date of contribution.

8. Related party transactions

The Organization is a member of the Canadian Council of Provincial and Territorial Sport Federations Inc. As such, the Organization administers the Nova Scotia Amateur Sport Fund, a provincial fund established under the National Sport Trust Fund.

The Organization administers bank accounts for KidSport Canada (Nova Scotia Chapter), and Sports & Recreation payroll. These bank accounts are held in the name of Sport Nova Scotia, but do not belong to the Organization and, therefore, these accounts are not included in these financial statements.

Sport Nova Scotia is a licensee of KidSport Canada and as such administers a provincial fund. The transactions totaled $2,090 ($2,044 in 2025) from the provincial fund for KidSport.

9. Financial instruments

The Organization is exposed to various risks through its financial instruments.

Liquidity risk

Liquidity risk is the risk that an Organization will not be able to meet its financial obligations as they become due. The Organization is exposed to liquidity risk in its ability to finance its working capital requirements and meet its cash flow needs. Given the Organization’s currently available liquid resources, from both financial assets and on-going operations, as compared to its contractual obligations, management assesses the Organization’s liquidity risk to be low.

9. Financial instruments (continued)

Credit risk

Credit risk arises with uncertainties of predicting financial difficulties tenants may experience which could cause them to be unable to fulfil their lease requirements. The Organization mitigates this risk by having a diversified mix of tenants thereby limiting the exposure to a single tenant. Accounts receivables are presented net of allowance for doubtful accounts of $9,000 ($7,826 in 2025).

Interest rate risk

The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Organization to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Organization is exposed to this type of risk as a result of investments in GIC's. However, the risk associated with investments is reduced to a minimum since these assets are invested in low interest instruments.

10. Deferred revenue

($)	General	KidSport	Sport Dev.	Canada Games	Building	2026 Total	2025 Total
Beginning Balance	498,460	3,042,973	8,821,297	381,801	59,743	**12,804,274**	**14,600,550**
Less: revenue or other	(1,053,122)	(1,374,192)	(8,955,716)	(689,569)	(4,234)	(12,076,833)	(10,595,410)
Plus: received or transferred in	640,302	601,063	5,730,778	533,744	2,035	7,507,922	8,799,134
Closing Balance	85,640	2,269,844	5,596,359	225,976	57,544	**8,235,363**	**12,804,274**

11. Budget figures

The Company's annual budget is approved by the Board of Directors and membership. The budget figures are not subject to audit procedures.

12. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Sport Nova Scotia

Schedule 1 – Sport Development revenues and expenses

March 31, 2026

($)					2026	2025
	Support4Sport	EDIA	Safe Sport	Other	Total	Total
Revenues						
PNS funding	6,198,979	1,103,393	405,932	886,078	8,594,382	7,688,360
Other funding/grants	94,381	-	188,965	17,227	300,573	88,082
Interest & other	107,312	67,203	52,395	49,601	276,511	533,193
Total Revenues	**6,400,672**	**1,170,596**	**647,292**	**952,906**	**9,171,466**	**8,309,635**
Expenses						
Salaries & benefits	1,459,110	272,986	185,812	495,496	2,413,404	1,831,310
Allocations	3,809,941	93,466	-	7,500	3,910,907	3,808,168
Grants	807,700	606,725	-	382,447	1,796,872	1,672,470
Contractor/other	17,818	8,569	75,248	5,305	106,940	33,436
Programs	71,986	1,435	159,233	467	233,121	294,973
Property & utilities	45,074	12,849	9,206	4,640	71,769	52,940
Professional fees	22,701	36,641	30,269	-	89,611	76,606
Software, dues, fees	16,410	3,847	58,488	4,287	83,032	7,862
Advertising/promotion	1,157	16,050	-	1,264	18,471	-
Travel, meals, meetings	6,926	45,993	73,265	20,949	147,133	23,739
Printing & postage	1,568	451	662	275	2,956	1,707
Other expenses (income)	24,769	4,003	2,692	8,350	39,814	22,749
Total Expenses	**6,285,160**	**1,103,015**	**594,875**	**930,980**	**8,914,030**	**7,825,960**
Amortization	8,197	377	22	-	8,596	9,053
Surplus (Deficit)	**107,315**	**67,204**	**52,395**	**21,926**	**248,840**	**474,622**

Sport Nova Scotia

Schedule 2 – General Operating and Marketing programs revenues and expenses

March 31, 2026

($)				2026	2025
	General and Marketing	Admin Centre	Interfund Eliminations	Total	Total
Revenues					
PNS funding	314,799	330,000	-	644,799	577,000
Events	54,093	-	-	54,093	133,585
Sponsorship	146,256	-	-	146,256	214,010
Fundraising/donations	347,775	-	-	347,775	308,474
Member services	12,284	162,226	(29,200)	145,310	211,515
Rental income	-	27,799	(217,765)	(189,966)	(129,409)
Interest & other	16,890	-	-	16,890	30,198
Total Revenues	**892,097**	**520,025**	**(246,965)**	**1,165,157**	**1,345,372**
Expenses					
Salaryies & benefits	683,724	292,186	-	975,910	859,045
Contractor/other	49,630	5,735	-	55,365	12,144
Programs	1,936	32,472	-	34,408	128,370
Property & utilities	19,926	133,808	(217,765)	(64,031)	(1,389)
Professional fees	34,060	1,129	-	35,189	10,071
Software, dues, fees	13,345	23,019	-	36,364	14,747
Fundraising/events	426,922	125	-	427,047	492,041
Advertising/promotion	135,013	-	-	135,013	197,609
Travel, meals, meetings	6,700	107	-	6,807	4,772
Printing & postage	23,390	407	-	23,797	6,911
Other expenses (income)	16,580	26,035	(29,200)	13,415	21,324
Total Expenses	**1,411,226**	**515,023**	**(246,965)**	**1,679,284**	**1,745,645**
Amortization	4,972	10,512	-	15,484	17,674
Surplus (Deficit)	**(524,101)**	**(5,510)**	**-**	**(529,611)**	**(417,947)**