

WRESTLING CANADA LUTTE

Financial Statements

Year Ended March 31, 2026

WRESTLING CANADA LUTTE

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Year Ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of Wrestling Canada Lutte

Opinion

We have audited the financial statements of Wrestling Canada Lutte (the Association), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues 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 Association as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Association in accordance with 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 ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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:

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Independent Auditor's Report to the Members of Wrestling Canada Lutte (*continued*)

- 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 Association'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 Association'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 Association 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.

Ottawa, Ontario
September 14, 2026

Leslie & MacLeod
Leslie & MacLeod, Chartered Professional Accountants
(A Professional Corporation)
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

WRESTLING CANADA LUTTE

Statement of Financial Position

March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	\$ 803,662	\$ 877,588
Accounts receivable	62,961	27,953
HST receivable	5,549	21,792
Prepaid expenses	153,317	81,775
Inventory	2,409	5,991
Investments (<i>Market value \$364,905; 2025 - \$321,234</i>)	364,905	321,234
	\$ 1,392,803	\$ 1,336,333
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 170,416	\$ 280,806
Source deductions payable	15,059	14,284
Deferred revenue	462,920	349,802
	648,395	644,892
NET ASSETS		
General fund	374,139	325,848
Reserve funds (<i>Note 4</i>)	370,269	365,593
	744,408	691,441
	\$ 1,392,803	\$ 1,336,333

ON BEHALF OF THE BOARD

_____*Director*

_____*Director*

See notes to financial statements

WRESTLING CANADA LUTTE

Statement of Revenues and Expenses

Year Ended March 31, 2026

	2026	2025
REVENUES		
Sport Canada	\$ 1,401,000	\$ 1,524,000
Association fees	570,810	593,101
Program fees	569,804	411,150
Other agency support	61,131	375,671
Sales and marketing	93,741	70,665
Other	13,737	22,422
Donations	21,558	5,550
	2,731,781	3,002,559
EXPENSES		
Administration		
Staff salaries and travel	423,158	376,391
General administration	282,228	345,235
Promotion and communication	80,409	64,850
Meetings	6,723	45,983
	792,518	832,459
Coaching salaries and professional development		
Training centre coaches	260,893	381,273
Coaching and technical leadership	197,982	198,297
	458,875	579,570
National team programs		
Senior	412,375	472,166
NextGen	527,391	517,893
IST	192,194	209,519
Equipment	43,722	44,451
	1,175,682	1,244,029
Operations and programming		
Development, education, and training	76,198	160,028
Event hosting	230,538	166,078
	306,736	326,106
Other		
	-	-
	2,733,811	2,982,164
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(2,030)	20,395
OTHER INCOME		
Net investment income	11,432	5,714
EXCESS OF REVENUES OVER EXPENSES	\$ 9,402	\$ 26,109

See notes to financial statements

WRESTLING CANADA LUTTE

Statement of Changes in Net Assets

Year Ended March 31, 2026

	General Fund	Reserve Funds (Note 4)	2026	2025
NET ASSETS - BEGINNING OF YEAR	\$ 325,848	\$ 365,593	\$ 691,441	\$ 637,203
EXCESS OF REVENUES OVER EXPENSES	9,402	-	9,402	26,109
TRANSFER BETWEEN FUNDS <i>(Note 4)</i>	(4,676)	4,676	-	-
UNREALIZED GAIN ON INVESTMENTS	43,565	-	43,565	28,129
NET ASSETS - END OF YEAR	\$ 374,139	\$ 370,269	\$ 744,408	\$ 691,441

See notes to financial statements

WRESTLING CANADA LUTTE

Statement of Cash Flows Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 9,402	\$ 26,109
Changes in non-cash working capital:		
Accounts receivable	(35,008)	488,929
HST receivable	16,243	(43,760)
Prepaid expenses	(71,542)	1,606
Inventory	3,582	1,762
Accounts payable and accrued liabilities	(110,391)	(956,169)
Source deductions payable	776	22
Deferred revenue	113,118	(209,778)
	(83,222)	(717,388)
Cash flow used by operating activities	(73,820)	(691,279)
INVESTING ACTIVITY		
Investments	(106)	365
DECREASE IN CASH FLOW	(73,926)	(690,914)
CASH - BEGINNING OF YEAR	877,588	1,568,502
CASH - END OF YEAR	\$ 803,662	\$ 877,588

WRESTLING CANADA LUTTE

Notes to Financial Statements

Year Ended March 31, 2026

1. DESCRIPTION OF OPERATIONS

Wrestling Canada Lutte (the “Association”) is a not-for-profit corporation incorporated without share capital. Its purpose is to foster the development of amateur wrestlers, coaches, managers, trainers and officials who desire to join in membership to the advancement of amateur wrestling in Canada, and to provide these members with the opportunity to participate and contribute to the improvement of wrestling.

The Association is a Registered Canadian Amateur Athletic Association under the Canadian Income Tax Act and as such is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Association follows the standards in Part III of the CPA Canada Handbook and has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies outlined below.

Fund accounting

Wrestling Canada Lutte follows the deferral fund method of accounting for contributions.

The General Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted funds.

The Endowment Funds report resources contributed for endowment through internal generation of gains and external contributions. There are three endowment funds. The Reserve Fund, Quest for Gold Fund, and Strategic Initiative Fund.

The Reserve Fund was established to provide a degree of financial stability for the Association.

The Quest for Gold Fund was established to cover future costs for the Association's Quest for Gold program.

The Strategic Initiative Fund was established to support the development and implementation of specific targeted initiatives identified in the Association's strategic plan that lack funding or support from other resources.

Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

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WRESTLING CANADA LUTTE

Notes to Financial Statements

Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments

Short and long term investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of the statement of changes in net assets. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Revenue recognition

The Association receives restricted contributions for reimbursement of certain specified technical and administrative expenses during the year. 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. These include other agency support, program fees, association fees, sales and marketing, donations, and other revenues. Unexpended portions of contributions are refundable to the contributor.

Sport Canada contributions are subject to specific terms and conditions regarding the expenditure of the funds. The Association's records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. In the event that adjustments to prior years' contributions are requested, they would be recorded in the year in which Sport Canada requests the adjustments.

Reserve fund investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted and board restricted investment income is recognized as revenue when earned.

Contributed services

Volunteers contribute their services to assist the Association in its service delivery activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Value in kind revenue is recorded at the fair value of the contributed product.

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WRESTLING CANADA LUTTE

Notes to Financial Statements

Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of changes in net assets.

Financial assets measured at amortized cost on a straight-line basis include cash, accounts receivable, and investments.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities, government remittances payable, HST payable, and deferred revenue.

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.

WRESTLING CANADA LUTTE

Notes to Financial Statements

Year Ended March 31, 2026

3. FINANCIAL INSTRUMENTS

The Association 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 Association's risk exposure and concentration as of March 31, 2026.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

(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 rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk and other price risk.

(d) 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 Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its investments and credit facilities.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investment in quoted shares.

WRESTLING CANADA LUTTE

Notes to Financial Statements

Year Ended March 31, 2026

4. RESERVE FUNDS

	Reserve Fund	Quest for Gold Fund	Strategic Initiative Fund	Total
Opening fund balances	\$ 338,453	\$ 13,570	\$ 13,570	\$ 365,593
Transfers from general fund	2,806	935	935	4,676
Closing fund balances	\$ 341,259	\$ 14,505	\$ 14,505	\$ 370,269

Wrestling Canada Lutte has established a "Reserve Fund", "Quest for Gold Fund", and "Strategic Initiative Fund" represented by the Reserve Fund account in net assets. Contributions can be made by either specific donations or through annual allocations in the budget or future surpluses.

The Association will transfer the following minimum portion of all future surpluses in a given fiscal year into the respective endowment funds and correspondingly to the investment account, from the general account:

- Reserve Fund - 30% of the annual surplus;
- Quest for Gold Fund - 10% of the annual surplus;
- Strategic Investment Fund - 10% of the annual surplus.

Endowment funds are designated as restricted use, but may be invested. The Association will invest endowment funds residing in the investment account as per the Association's Investment Policy, to achieve or exceed the targeted financial return as outlined in the investment objectives.

This policy will be reviewed periodically as needed, but at least every 2 years.

5. LEASE COMMITMENTS

The Association leases premises under a long term lease that expires on October 31, 2027. Under the lease, the Association is required to pay a base rent plus operating costs of approximately \$31,000 for the five-year term.

6. OPERATING LOAN

The Association has a \$150,000 revolving line of credit of which \$NIL was used as at March 31, 2026 (2025 - \$NIL). Advances on the credit line bear interest at the bank's prime rate plus 1.0%.