



# **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED MARCH 31, 2026





**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2026**

**TABLE OF CONTENTS**

Page

**Independent Auditor's Report**

**Financial Statements:**

Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5





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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Skate Canada

### ***Opinion***

We have audited the financial statements of Skate Canada (the Entity), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of changes in net assets for the year then ended
- the statement of operations for the year then ended
- the statement of cash flows for the year then ended
- and notes to financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at end of March 31, 2026, 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 auditor’s 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 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 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 the 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 Entity's internal control.



Page 3

- 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

May 23, 2026

# SKATE CANADA

## Statement of Financial Position

March 31, 2026, with comparative information for 2025

		2026	2025
<b>Assets</b>			
Current assets:			
Cash		\$ 1,322,428	\$ 1,786,975
Accounts receivable	Note 3	1,654,092	1,268,965
Prepaid expenses		326,871	302,633
		<u>3,303,391</u>	<u>3,358,573</u>
Investments	Note 4	32,986,496	32,345,747
Collections	Note 5	1,433,950	1,377,950
Capital assets	Note 6	1,378,613	1,031,974
		<u>\$ 39,102,450</u>	<u>\$ 38,114,244</u>

## Liabilities and Net Assets

Current liabilities:			
Accounts payable and accrued liabilities	Note 7	\$ 2,210,445	\$ 1,832,634
Deferred revenue	Note 9	66,819	94,332
		<u>2,277,264</u>	<u>1,926,966</u>
Net assets:			
Unrestricted	Note 11	13,833,762	13,598,493
Internally restricted		20,000,000	20,000,000
Invested in capital assets and collections		2,812,563	2,409,924
Endowment		178,861	178,861
		<u>36,825,186</u>	<u>36,187,278</u>
Commitments	Note 12		
Contingencies	Note 13		
		<u>\$ 39,102,450</u>	<u>\$ 38,114,244</u>

The accompanying notes are an integral part of these financial statements.



Karen Butcher, President



Glenn Fortin, Chair, Finance and Enterprise  
Risk Management Committee

# SKATE CANADA

## Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Balance, beginning of year	Net revenue for the year	Transfers to (from) net asset categories	Balance, end of year
Unrestricted	\$ 13,598,493	\$ 736,809	\$ (501,540)	\$ 13,833,762
Internally restricted	20,000,000	–	–	20,000,000
Invested in capital assets and collections	2,409,924	(98,901)	501,540	2,812,563
Endowment	178,861	–	–	178,861
	<u>\$ 36,187,278</u>	<u>\$ 637,908</u>	<u>\$ –</u>	<u>\$ 36,825,186</u>

The accompanying notes are an integral part of these financial statements.

# SKATE CANADA

## Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025	
Revenue:			
Membership	\$ 12,602,666	\$ 12,463,725	
Assessment fees	1,246,608	1,230,012	
Events	2,329,490	2,239,961	
Merchandising	113,047	121,251	
Government and other grants	2,709,206	2,680,698	
Sponsorship	Note 10	264,253	
Safe Sport	1,084,565	1,084,407	
Other	663,049	571,443	
	20,962,234	20,655,750	
Expenses:			
Section payments	Note 1	6,465,639	6,505,699
Athlete grants		751,734	728,426
Events		3,549,656	3,902,221
Advertising		68,092	55,339
Investment fees and bank charges		287,187	293,425
Salaries, benefits and professional development		4,898,622	4,409,411
Professional fees and contracted services		2,181,225	2,532,895
Facilities		686,277	698,147
Travel and living		2,671,918	2,409,978
Technology and subscriptions		257,261	362,939
Office		47,597	49,373
General		152,292	182,183
Amortization of capital assets		154,901	66,839
	22,172,401	22,196,875	
Net loss from operations	(1,210,167)	(1,541,125)	
Investment income	Note 4	1,848,075	2,426,475
Net revenue for the year	\$ 637,908	\$ 885,350	

The accompanying notes are an integral part of these financial statements.

# SKATE CANADA

## Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash flows provided by (used in):		
Operating activities:		
Net revenue for the year	\$ 637,908	\$ 885,350
Items not affecting cash:		
Amortization of capital assets	154,901	66,839
Changes in fair value of investments	(1,117,119)	(1,799,159)
Increase in fair value of Collection	(56,000)	–
Net change in non-cash working capital items:		
Change in accounts receivable	(385,127)	5,555,663
Change in prepaid expenses	(24,238)	261,059
Change in accounts payable and accrued liabilities	377,811	(3,650,734)
Change in deferred revenue	(27,513)	(73,099)
	(439,377)	1,245,919
Investing activities:		
Net change in investments	476,370	(357,172)
Purchase of capital assets	(501,540)	(157,756)
	(25,170)	(514,928)
Net change in cash for the year	(464,547)	730,991
Cash, beginning of year	1,786,975	1,055,984
Cash, end of year	\$ 1,322,428	\$ 1,786,975

The accompanying notes are an integral part of these financial statements.

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

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## 1. Purpose of the Organization:

Skate Canada (the “Organization”) is the national skating governing body whose purpose is to develop, regulate and promote skating in Canada. Sanctioned skating clubs, skating schools and certified professional coaches are members of Skate Canada.

Skate Canada is incorporated under the Canada Not-for-profit Corporations Act. The Organization is a Registered Canadian Amateur Athletic Organization within the meaning of the Income Tax Act of Canada and is, therefore, not subject to income taxes and has the authority to issue donation receipts.

The Provincial and Territorial Sports Organizations responsible for skating in their province, referred to as Sections, are autonomous, separately incorporated organizations, and are not included in these financial statements. Skate Canada collects membership fees from its members and pays the Sections their portion of these fees which are recorded as Section payments expense.

## 2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

### (a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions for not-for-profit organizations.

Externally restricted contributions, including certain government and other grants, are deferred and recognized as revenue in the period 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.

Government and other grants revenue, which is earned through specific-deliverable contracts, is recognized based on the completion of deliverables as identified in contractual agreements.

Membership, Safe Sport and Assessment fee revenue are recorded as revenue in the period received or receivable.

Sponsorship revenue is recognized on a straight-line basis over the term of the related agreement. Merchandising revenue is recognized in the period earned.

Event revenue, including revenue from the 2026 World Figure Skating Championships, is recognized in the year the event occurs and event deliverables are completed.

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

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## 2. Significant accounting policies (continued):

### (a) Revenue recognition (continued):

Contributed goods and services are recorded at the fair value at the time of receipt if the value can be reasonably estimated and the related goods and services would otherwise have been purchased. These financial statements do not reflect the value associated with numerous hours contributed by volunteers to assist the Organization in carrying out its service delivery activities.

Contributions restricted for endowment purposes are recognized as direct increases in net assets in the period received.

Interest income is recognized on an accrual basis as earned. Dividends are recognized as of the dividend payment date. Gains or losses on the disposal of investments are determined using the average cost method. All investment revenues including realized and unrealized gains and losses on investments are recognized in the statement of operations.

### (b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. The Organization has elected to carry its investments at fair value.

Sales and purchases of investments are recorded on the trade date. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets are assessed for indicators of impairment on an annual basis at the end of the fiscal year. Where an indicator of impairment is present, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

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## 2. Significant accounting policies (continued):

### (c) Foreign currency translation

Foreign currency transactions are initially recorded at the rate of exchange prevailing at the date of translation. Thereafter, monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current statement of operations are translated at the exchange rate in effect at the transaction date. Exchange gains and losses are included in the statement of operations.

### (d) Capital assets:

Capital assets are stated at cost. Amortization is provided on the straight-line basis over the estimated useful lives as follows:

Asset	Rate
Computer equipment and software	3 years
Competition equipment	5 years
Virtual Hall of Fame	5 years
Office equipment	5 years
Digital transformation project	7 years
Tenant improvements	15 years

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When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

### (e) Cash and cash equivalents:

Cash and cash equivalents include deposits with financial institutions that can be withdrawn without prior notice or penalty and short-term deposits with an original maturity of ninety days or less.

### (f) Collections:

Collections are carried at cost, being the purchase price of acquired items or the fair value of contributed items at the time of receipt. The Organization's collection is not subject to amortization. The collection is comprised of works of art and other similar assets that are of historical significance to figure skating in Canada. The collection is held for public exhibition and education.

For collection items that are contributed, the fair value is recognized as a direct increase in net assets. When an item is purchased for the collections where the purchase price is substantially below fair value the difference between consideration paid and fair value is recognized as a contribution.

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

## 2. Significant accounting policies (continued):

### (g) Use of estimates:

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

## 3. Accounts receivable:

	2026	2025
Trade accounts receivable	\$ 777,975	\$ 980,694
Other accounts receivable	809,096	239,278
Interest receivable	77,721	56,317
Less: allowance for doubtful accounts	(10,700)	(7,324)
	\$ 1,654,092	\$ 1,268,965

## 4. Investments:

### (a) Investment balances:

Investments consist of the following:

March 31, 2026	Cost	Fair value
Cash	\$ 765,400	\$ 765,400
Corporate Bond – Canadian	5,098,186	4,959,534
Corporate Bond – International	1,659,837	1,546,868
Government Bond – Canadian	10,157,627	9,757,843
Equities – Canadian	7,534,198	8,829,055
Equities – International	2,208,495	2,386,872
Equities – US	2,224,653	2,560,454
Guaranteed investment certificates	2,000,000	2,034,606
Interest receivable	145,864	145,864
	\$ 31,794,260	\$ 32,986,496

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

## 4. Investments (continued):

(a) Investment balances (continued):

March 31, 2025	Cost	Fair value
Cash	\$ 16,881,418	\$ 16,881,418
Corporate Bond – Canadian	1,816,489	1,796,250
Corporate Bond – International	2,122,431	1,979,219
Government Bond – Canadian	3,256,711	3,196,152
Equities – Canadian	3,818,341	4,598,022
Equities – International	1,421,125	1,652,083
Equities – US	1,957,890	2,192,926
Interest receivable	49,677	49,677
	<u>\$ 31,324,082</u>	<u>\$ 32,345,747</u>

Investment portfolios are managed by investment managers in accordance with written investment policy statements approved by the Board of Directors.

Fixed income investments consist of federal and provincial government bonds, and high quality corporate bonds rated "BBB" or higher. Bonds bear interest at fixed rates ranging from 1.50% to 6.35% (2025 - 1.75% to 6.35%) and have maturities ranging from 2026 to 2052 (2025 - 2025 to 2052).

(b) Investment income:

Investment income consists of:

	2026	2025
Interest, dividends and other	\$ 730,956	\$ 627,316
Changes in fair value of investments	1,117,119	1,799,159
	<u>\$ 1,848,075</u>	<u>\$ 2,426,475</u>

## 5. Collections:

During the year, \$56,000 (2025 - nil) of additional artwork value increased the Collection.

	2026	2025
Work of art and other similar assets	\$ 1,433,950	\$ 1,377,950

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

## 6. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment and software	\$ 140,680	\$ 40,733	\$ 99,947	\$ 22,035
Competition equipment	69,138	62,466	6,672	17,990
Virtual Hall of Fame	450,394	7,507	442,887	–
Office equipment	14,182	10,451	3,731	6,567
Digital transformation project	798,288	107,211	691,077	653,219
WIP	134,299	–	134,299	325,895
Tenant improvements	–	–	–	6,268
	<u>\$ 1,606,981</u>	<u>\$ 228,368</u>	<u>\$ 1,378,613</u>	<u>\$ 1,031,974</u>

Cost and accumulated amortization for the year ended March 31, 2025, amounted to \$1,172,409 and \$140,437. In the year, the Organization wrote-off \$66,969 (2025 - \$514,762) of fully-amortized capital assets.

Work in progress of \$134,299 (2025 - \$Nil) relates to the new office furniture which is expected to be completed in the next fiscal year. In the year, the Virtual Hall of Fame was available for active use and the cost of \$450,394 was transferred to fixed assets.

## 7. Government remittances:

There are no amounts payable for government remittances such as payroll or commodity taxes that are included in accounts payable and accrued liabilities.

## 8. Credit facilities:

The Organization has an available operating loan of \$4,000,000 with variable interest at prime plus 0.5%. Investments are pledged as security for this facility with a minimum balance to be maintained at \$8,000,000. As at March 31, 2026, the line of credit was not used (not used as at March 31, 2025).

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

## 9. Deferred revenue:

Deferred revenue consists of amounts received in advance relating to sponsorship, events as well as restricted contributions received from government and other funders which are deferred until the related expense is incurred. The Organization's deferred revenue balance consist of the following:

	2026	2025
Events	\$ –	\$ 23,400
Government	–	4,265
Sponsorship	66,819	66,667
	\$ 66,819	\$ 94,332

## 10. Contributed goods and services:

During the year, the Organization received contributed goods and services with a fair value of \$18,264 (2025 - \$16,192). These contributed goods and services were provided primarily to sponsor a wide range of activities for the Organization's competition events and are included in the Statement of Operations. Contributed goods and services is included in Events revenue and expenses on the Statement of Operations.

## 11. Net assets:

### (a) Unrestricted net assets:

The Organization's overall objective with regard to its unrestricted net assets is to ensure stability for the delivery of on-going programs and services, to fund strategic initiatives and to mitigate the financial impact of risks to its operations and achievement of strategic objectives.

### (b) Internally restricted net assets:

The Organization manages its net assets by establishing reserve funds within its internally restricted net assets and restricting amounts to these funds for strategic initiatives and contingencies. Reserve funds are established and managed in accordance with the fundamental principles of fiscal prudence, transparency and accountability, risk management, effectiveness and efficiency, and financial stability in order to protect the interests of the Organization. The Board of Directors has overall responsibility for the establishment and use of the reserve funds.

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

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## 11. Net assets (continued):

### (b) Internally restricted net assets (continued):

The Organization has the following reserve funds:

#### (i) Contingency Reserve Fund

The Contingency Reserve Fund is established to protect the Organization against unforeseen substantial loss of revenues or impact to operations, including but not limited to loss of government funding or sponsorship revenue, or a substantial drop in membership. The target ceiling amount of the Fund is \$13 million. The Board of Directors authorized the establishment of this fund and the transfer of \$13 million in March 2025.

#### (ii) Litigation Reserve Fund

The Litigation Reserve Fund is established to protect the Organization against potential litigation costs. The target ceiling amount of the Fund is \$3 million. The Board of Directors authorized the establishment of this fund and the transfer of \$3 million in March 2025.

#### (iii) Operational Loss Reserve Fund

The Operational Loss Reserve Fund is established to cover the projected operational deficits of core operations and events. The target ceiling amount of the Fund is \$1 million. The Board of Directors authorized the establishment of this fund and the transfer of \$1 million in March 2025.

#### (iv) Strategic Technology Advancements Reserve Fund

The Strategic Technology Advancements Reserve Fund is established to fund upcoming and ongoing costs related to planned, future technology advancements of the Organization. The target ceiling amount of the Fund is \$3 million. The Board of Directors authorized the establishment of this fund and the transfer of \$3 million in March 2025.

### (c) Endowment:

As endowments, only the investment income earned on the capital may be distributed and the capital must be preserved.

The Stewart G. Esdaile Fund reports on activities associated with providing annual awards to selected skaters from the Ottawa-Gatineau area skating clubs who skated in the previous Canadian Championships in the Novice or Junior categories. In the year, awards of \$2,100 (2025 - \$2,200) were distributed from the Fund.

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

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## 11. Net assets (continued):

### (c) Endowment (continued):

The Paul Giesinger Estate Fund reports on activities associated with providing an annual award to the Novice Women and Novice Men's Championship at the Canadian Championships. In the year, an annual award of \$2,000 (2025 - \$2,000) were distributed from the Fund.

## 12. Commitments:

The Organization is committed under lease agreements for office space until March 31, 2038. The minimum annual payments for the next five years and thereafter are \$377,363. An integral part of the lease is the proportionate share of property taxes, management fee and operating costs attributable to the Organization of approximately \$176,224 per year.

## 13. Contingencies:

### (a) Legal matters and litigation:

The Organization is involved with potential or pending litigation and claims which arise in the normal course of operations. In the opinion of management, an estimate of the potential liability from these claims cannot be made, but any liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the Organization. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

### (b) Government contributions:

Government contributions are subject to conditions regarding the expenditure of the funds. The Organization's accounting records are subject to audit by the funding agencies to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency.

In addition, the funding agencies have the ability to demand repayment of any portion of the grants if the Organization does not spend all of the advanced funds or meets defined performance milestones as stipulated by the contribution agreement.

No funding agencies have demanded repayment. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

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## 14. Financial risks:

The Organization is subject to the following risks from its financial instruments.

### (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. The Organization is exposed to credit risk from its accounts receivable and investments. Credit exposure is minimized by dealing with creditworthy counterparties such as Canadian governments and public companies. Investments are managed under a Board-approved investment policy as disclosed in note 4.

The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in an allowance for doubtful accounts. At year end, the Organization has recorded an allowance for doubtful accounts as disclosed in note 3.

### (b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by continuously monitoring its operating cash flows and investments and preparing financial forecasts under various scenarios. The Organization mitigates its liquidity risk through its reserve funds as disclosed in note 11(b). The Organization believes it has sufficient financial resources to settle its obligations throughout the next fiscal year and beyond.

### (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 other price risk.

#### (i) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is exposed to foreign currency risk from its cash and investments denominated in U.S. dollars. At year-end, the Organization held \$99,490 (2025 - \$56,978) of cash and \$3,976,414 (2025 - \$2,892,158) of investments denominated in U.S. dollars.

#### (ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk with respect to its fixed income investments as disclosed in note 4.

# SKATE CANADA

Notes to Financial Statements

Year ended March 31, 2026

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## 14. Financial risks (continued):

### (c) Market risk (continued):

#### (iii) 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 Organization is exposed to other price risk with respect to its equity investments as disclosed in note 4.

These risks continued to be impacted in fiscal 2026 by fluctuations in inflation, interest rates and market prices. Management believes that its financial risks are appropriately mitigated and do not pose a significant risk to the Organization's operations. Other than the establishment of reserve funds as disclosed in note 11(b), there have been no significant changes in the policies, procedures and methods used to manage these financial risks in the year.