ONTARIO CYCLING

2025

FINANCIAL

STATEMENTS

ONTARIO CYCLING ASSOCIATION INCORPORATED

Financial Statements

Year Ended December 31, 2025

MACNEILL EDMUNDSON
PROFESSIONAL CORPORATION

ONTARIO CYCLING ASSOCIATION INCORPORATED
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Year Ended December 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Cycling Association Incorporated

Opinion

We have audited the financial statements of Ontario Cycling Association Incorporated (the association), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in fund balances, revenues and expenses 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 December 31, 2025, 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.

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Jeremy A. Giles CPA, CA *Lissa Savage CPA, CA, CPA (Illinois)*
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INDEPENDENT AUDITOR'S REPORT *(continued)*

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 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.

MacNeill Edmundson

London, Ontario
May 7, 2026

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

ONTARIO CYCLING ASSOCIATION INCORPORATED
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	**$ 110,288**	$ 128,981
Restricted cash *(Note 4)*	**51,885**	64,550
Term deposits *(Note 2)*	**-**	223,363
Accounts receivable	**16,355**	2,382
Interest receivable *(Note 2)*	**-**	7,495
Harmonized sales tax recoverable	**-**	933
Prepaid expenses	**22,095**	34,398
	200,623	462,102
CAPITAL ASSETS *(Note 3)*	**23,161**	22,316
	$ 223,784	$ 484,418
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities	**$ 11,686**	$ 12,356
Harmonized sales tax payable	**1,689**	-
Deferred income *(Note 4)*	**145,258**	140,355
	158,633	152,711
FUND BALANCES		
General fund	**41,990**	309,391
Capital assets	**23,161**	22,316
	65,151	331,707
	$ 223,784	$ 484,418

ON BEHALF OF THE BOARD

Janice Dotta Colli
_______________________ *Director*

_______________________ *Director*

ONTARIO CYCLING ASSOCIATION INCORPORATED
Statement of Changes in Fund Balances
Year Ended December 31, 2025

	General Fund	Capital Assets	**2025**	2024
FUND BALANCES - BEGINNING OF YEAR	$ 309,391	$ 22,316	**$ 331,707**	$ 551,045
DEFICIENCY OF REVENUES OVER EXPENSES	(256,933)	(9,623)	**(266,556)**	(219,338)
TRANSFERS	(10,468)	10,468	**-**	-
FUND BALANCES - END OF YEAR	$ 41,990	$ 23,161	**$ 65,151**	$ 331,707

ONTARIO CYCLING ASSOCIATION INCORPORATED
Statement of Revenues and Expenses
Year Ended December 31, 2025

	2025	2024
REVENUES		
Membership	**$ 577,494**	$ 602,817
Grants	**512,168**	572,584
Events	**218,652**	253,235
High performance	**124,728**	72,880
Athlete support	**87,000**	79,011
Club and team affiliation	**41,440**	41,930
Sponsorship	**26,500**	26,465
Other	**13,639**	17,127
Grass roots and community development	**12,819**	24,120
Interest income	**1,259**	17,110
	1,615,699	1,707,279
EXPENSES		
Salaries and wages	**751,238**	757,982
High performance	**408,668**	298,082
Events	**271,815**	364,836
Membership registration	**199,011**	143,214
Office	**109,797**	141,475
Professional fees	**46,588**	63,752
CCA affiliation	**45,614**	49,253
Grassroots	**17,131**	58,669
Training	**10,863**	10,405
Communication	**7,945**	15,574
Membership costs	**3,011**	2,480
Annual meeting	**609**	785
Board of directors	**292**	226
Club support	**50**	990
Para project	**-**	678
Insurance	**-**	879
	1,872,632	1,909,280
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	**(256,933)**	(202,001)
CAPITAL FUND ACTIVITY		
Loss on disposal of capital assets	**-**	(2,276)
Amortization of intangible assets	**-**	(6,874)
Amortization of capital assets	**(9,623)**	(8,187)
	(9,623)	(17,337)
DEFICIENCY OF REVENUES OVER EXPENSES	**$ (266,556)**	$ (219,338)

ONTARIO CYCLING ASSOCIATION INCORPORATED

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	**$ (266,556)**	$ (219,338)
Items not affecting cash:		
Amortization of capital assets	**9,623**	8,187
Amortization of intangible assets	**-**	6,874
Loss on disposal of capital assets	**-**	2,276
	(256,933)	(202,001)
Changes in non-cash working capital:		
Accounts receivable	**(13,973)**	6,203
Interest receivable	**7,495**	4,791
Accounts payable and accrued liabilities	**(670)**	(16,324)
Prepaid expenses	**12,303**	88,246
Harmonized sales tax payable	**2,622**	(8,165)
Deferred income	**4,903**	47,549
	12,680	122,300
Cash flow used by operating activities	**(244,253)**	(79,701)
INVESTING ACTIVITY		
Purchase of capital assets	**(10,468)**	(12,232)
DECREASE IN CASH FLOW	**(254,721)**	(91,933)
Cash - beginning of year	**416,894**	508,827
CASH - END OF YEAR	**$ 162,173**	$ 416,894
CASH CONSISTS OF:		
Cash	**$ 110,288**	$ 128,981
Term deposits	**-**	223,363
Restricted cash	**51,885**	64,550
	$ 162,173	$ 416,894

PURPOSE OF THE ASSOCIATION

Ontario Cycling Association Incorporated (the "Association"), a not-for-profit organization, was incorporated without share capital in 1973 under the laws of the Province of Ontario. The Association is exempt from income taxes under paragraph 149(1)(l) of the Income Tax Act.

The objectives of the Association are:

a) to encourage and promote competitive cycling and organized cycling events in Ontario;
b) to help ensure an accessible, safe, and fair environment for competitive cyclists and organized cycling events;
c) to encourage youth and adults to participate in cycling as a sport;
d) to establish and regulate cycling championships among its members in Ontario;
e) to facilitate development of athletes from the novice to national level;
f) to carry on these objectives in affiliation with the Union Cyclist Internationale and the Canadian Cycling Association (“CCA”).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund Accounting

The Association maintains the following funds:

General Fund
The general fund accounts for the unrestricted contributions and other unrestricted revenue and the cost of most of the activities of the Association including counselling and services fees and rental income.

Capital Asset Fund
The capital asset fund reports the assets and expenses related to the Organization’s capital assets.

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

Revenue recognition

The Association follows the deferral method of accounting for revenues. Restricted contributions including external grants and funding 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.

Income from membership fees, licenses, event levies, sponsorships and other income is recognized as revenue in the period earned. Government grants are recognized as revenue over the period being funded.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Office equipment	30%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	30%	declining balance method
Leasehold improvements	4 years	straight-line method
Cycling equipment	3 years	straight-line method

The association regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

Intangible assets represents the website development costs and are stated at cost or deemed cost less accumulated amortization. The website development costs are being amortized on a straight-line basis over their estimated useful life of three years.

Contributed goods and services

Because of the difficulty of determining their fair value, contributed goods and services are not recognized in these financial statements.

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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.

2. TERM DEPOSITS

Term deposits consisted of a guaranteed investment certificate (GIC) that bore interest at prime less 2.25% and matured on March 25, 2025. Interest receivable of $7,495 was accrued as at December 31, 2024.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	**2025 Net book value**	2024 Net book value
Office equipment	$ 20,581	$ 15,374	**$ 5,207**	$ 7,438
Computer equipment	56,708	47,702	**9,006**	8,047
Leasehold improvements	3,270	3,270	**-**	230
Cycling equipment	87,582	78,634	**8,948**	6,601
	$ 168,141	$ 144,980	**$ 23,161**	$ 22,316

4. DEFERRED REVENUES AND GRANTS

Deferred revenues and grants represent unspent operating funds received in the current period that are related to a subsequent period and consist of the following:

	2025	2024
Youth Cycling Development Fund	**$ 51,885**	$ 64,550
Program Fees	**62,388**	56,652
Grants	**29,730**	17,593
Event fees	**1,255**	1,560
	$ 145,258	$ 140,355

Restricted cash represents the deferred revenue balance for the Youth Cycling Development Fund.

5. LEASE COMMITMENTS

The association leases premises under a long term lease that expires on September 30, 2027. Under the lease, total future minimum lease payments are as follows:

2026	$ 39,708
2027	30,226
	$ 69,934

6. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework in place to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration. There have been no significant change to the nature or concentration of these risks from the prior year, unless otherwise noted.

In the opinion of management, the association is not exposed to significant currency, interest rate, or other price risks arising from its financial instruments.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is mainly exposed to credit risk from receivables from its members. The association has a significant number of members which minimizes concentration of credit risk.

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6. FINANCIAL INSTRUMENTS *(continued)*

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 members and other related sources, and accounts payable and accrued liabilities.

The association mitigates this risk through projecting its cash flow needs on a short term and long term basis.