

BIATHLON CANADA

FINANCIAL STATEMENTS

APRIL 30, 2026

BIATHLON CANADA
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INDEPENDENT AUDITOR'S REPORT

To the Directors of Biathlon Canada

Opinion

We have audited the financial statements of Biathlon Canada (the "Organization"), which comprise the statement of financial position as at April 30, 2026 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at April 30, 2026, and results of its operations and its cash flows 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 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.

Emphasis of Matter

We draw attention to Note 6 to the financial statements, which explains that the comparative information as at and for the year ended April 30, 2025 has been restated. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of Biathlon Canada for the year ended April 30, 2025, were audited by another auditor who expressed an unmodified opinion on those statements on September 15, 2025.

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 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

INDEPENDENT AUDITOR'S REPORT, continued

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 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.

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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.

Baker Tilly Catalyst LLP

**CALGARY, ALBERTA
SEPTEMBER 8, 2026**

**CHARTERED PROFESSIONAL
ACCOUNTANTS**

BIATHLON CANADA
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2026

	2026	2025
Assets		
Current		
Cash	\$ 805,090	\$ 738,687
Accounts receivable	133,913	114,414
Prepaid expenses	54,599	42,801
	<u>993,602</u>	<u>895,902</u>
Property and equipment (Note 3)	<u>160,855</u>	<u>164,786</u>
	<u><u>\$ 1,154,457</u></u>	<u><u>\$ 1,060,688</u></u>
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 116,986	\$ 76,528
Deferred revenue (Note 5)	36,288	13,129
	<u>153,274</u>	<u>89,657</u>
Net assets		
Invested in property and equipment	160,855	164,786
Unrestricted	540,328	806,245
Internally restricted (Note 8)	300,000	-
	<u>1,001,183</u>	<u>971,031</u>
	<u><u>\$ 1,154,457</u></u>	<u><u>\$ 1,060,688</u></u>

Approved on behalf of the board

Michael Waller Director

Thomas Tuome Director

BIATHLON CANADA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2026

	2026	2025
Revenues		
Contributions		
International Biathlon Union	\$ 971,672	\$ 834,205
Government of Canada	853,500	824,050
Canadian Olympic Committee	155,430	63,100
Coaching Association of Canada	3,000	3,000
 Athlete contributions	 267,857	 310,828
Donations	168,008	133,014
Membership and program fees	129,236	130,757
Interest and other revenue	50,837	288,719
	<u>2,599,540</u>	<u>2,587,673</u>
 Expenses		
High performance		
National team competitions	948,673	956,096
National coaches and HP staff	659,975	300,681
National team training and program expenses	140,425	262,298
General and administrative	399,272	549,108
Domestic program	365,053	384,862
Amortization	55,990	65,843
	<u>2,569,388</u>	<u>2,518,888</u>
 Excess of revenue over expenses	 <u>\$ 30,152</u>	 <u>\$ 68,785</u>

BIATHLON CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2026

	Invested in Property and Equipment	Internally Restricted	Unrestricted	2026 Total	2025 Total
Prior period adjustment (Note 6)	\$ 164,786 -	\$ - -	\$ 726,240 80,005	\$ 891,026 80,005	\$ 902,246 -
Balance, restated	164,786	-	806,245	971,031	902,246
Excess (deficiency) of revenue over expenses	(64,352)	-	94,504	30,152	68,785
Interfund transfers (Note 8)	60,421	300,000	(360,421)	-	-
Balance, end of year	\$ 160,855	\$ 300,000	\$ 540,328	\$ 1,001,183	\$ 971,031

The accompanying notes are an integral part of the financial statements

BIATHLON CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2026

	2026	2025
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ 30,152	\$ 68,785
Amortization	55,990	65,843
Loss on disposal of property and equipment	8,362	69
	<u>94,504</u>	<u>134,697</u>
Change in non-cash working capital items:		
Accounts receivable	(5,719)	54,099
Prepaid expenses	(11,798)	17,816
Accounts payable and accrued liabilities	26,680	(145,472)
Deferred revenue	23,157	(37,627)
	<u>126,824</u>	<u>23,513</u>
Cash flows from investing activities		
Purchase of property and equipment	(60,421)	(22,302)
Proceeds on redemption of short-term investment	-	300,000
	<u>(60,421)</u>	<u>277,698</u>
Increase in cash	66,403	301,211
Cash, beginning of year	<u>738,687</u>	<u>437,476</u>
Cash, end of year	<u>\$ 805,090</u>	<u>\$ 738,687</u>

BIATHLON CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2026

1. Nature of operations

Biathlon Canada (the "Organization") is a not-for-profit organization incorporated under Part II of the Canada Corporations Act and received its continuance under the Canada Not-for-profit Corporations Act. The Organization serves as the governing body of Biathlon in Canada, and represents Canadian interests in the International Biathlon Union.

The Organization is a not-for-profit organization under Section 149 of the Income Tax Act (Canada) and is exempt from income taxes. On April 1, 2019, Biathlon Canada acquired status as a Registered Canadian Amateur Athletic Association.

The accompanying financial statements reflect the assets, liabilities and operating results of Biathlon Canada. These statements do not reflect the assets, liabilities or operating results of any of the Provincial Divisions of Biathlon Canada.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at year-end.

(b) Property and equipment

Property and equipment is recorded at cost.

Amortization is provided over the estimated useful lives of the assets using the declining balance method at an annual rate of 30%. A half year of amortization is recorded in the first year. No amortization is recorded in the year of disposal.

(c) Impairment of long-lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows that the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value

BIATHLON CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2026

2. Significant accounting policies, continued

(d) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees, program fees, athlete contributions are recognized in the period in which the related services are provided.

Donations are recognized when received where collection is not reasonably able to be estimated in advance.

Interest and other revenue are recognized as earned.

(e) In-kind contributions

The Organization receives non-monetary contributions of services and goods as a part of its normal operations. Due to the complexity associated with tracking and reliably measuring these transactions, the Organization has chosen to not record these amounts in the financial statements.

(f) Translation of foreign currency transactions and items

The Organization uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Exchange gains and losses are included in the statement of operations.

BIATHLON CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2026

2. Significant accounting policies, continued

(g) Financial instruments

(i) Measurement of financial instruments

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

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has not designated any financial asset or financial liability to be measured at fair value.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(h) Measurement uncertainty

The preparation of the 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 at the date of the financial statement and the reported amounts of revenue and expenses for the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of accounts payable and accrued liabilities and the useful life of property and equipment. Actual results may differ from those estimates.

BIATHLON CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2026

3. Property and equipment

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
Laser rifles	\$ 313,760	\$ 152,905	\$ 160,855	\$ 156,423
Computer equipment	-	-	-	4,397
Ski equipment	-	-	-	2,407
Automotive equipment	-	-	-	1,559
	<u>\$ 313,760</u>	<u>\$ 152,905</u>	<u>\$ 160,855</u>	<u>\$ 164,786</u>

4. Accounts payable and accrued liabilities

The Organization has available credit facilities through a corporate credit card with a credit limit of \$80,000. As at April 30, 2026, an amount outstanding of \$10,964 was included in accounts payable and accrued liabilities.

5. Deferred revenue

Deferred revenue includes membership fees received in advance that relate to the following fiscal year.

	2026	2025
Balance beginning of year	\$ 13,129	\$ 35,556
Revenue received	36,288	13,129
Deferred revenue recognized as revenue	<u>(13,129)</u>	<u>(35,556)</u>
	<u>\$ 36,288</u>	<u>\$ 13,129</u>

The amount recognized is recorded as membership and program fees on the statement of operations.

BIATHLON CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2026

6. Prior period adjustment

During the year it was determined that a prior year adjustment was required for donation revenue that had been incorrectly recorded as deferred revenue. As a result, deferred revenue at April 30, 2025 decreased by \$80,005, donation revenue and excess of revenue over expenses for the year ended April 30, 2025 increased by \$80,005, and opening unrestricted net assets increased by \$80,005. In addition, invested in property and equipment increased by \$1,360 with a corresponding decrease in unrestricted net assets. The impact on the comparative figures is summarized below.

	2025 as previously stated	Adjustment	2025 as restated
Deferred revenue	\$ 93,134	\$ (80,005)	\$ 13,129
Donation revenue	53,009	80,005	133,014
Excess of revenue over expenses	(11,220)	80,005	68,785
Unrestricted net assets	727,600	78,645	806,245
Invested in property and equipment	163,426	1,360	164,786
Total net assets	891,026	80,005	971,031

7. Related party transactions

Alberta Event Hosting Society for Biathlon

Biathlon Canada was assigned the rights to certain International Biathlon Union World Cup events. As the joint rights holder, both the organization and Alberta Event Hosting Society for Biathlon ("AEHSB") execute agreements relating to these events. The responsibility for execution of the events has been assigned to AEHSB. The organizations are related as the Event Chair of AEHSB is involved on a volunteer basis with the financial reporting of the Organization.

Under the memorandum of understanding between the parties, all amounts received by the Organization in connection with the World Cup events, net of expenditures paid on behalf of AEHSB, are payable to AEHSB. Any operating deficit associated with the events remains the responsibility of AEHSB.

During the year ended April 30, 2026, the Organization received approximately \$80,515 in connection with these events and transferred approximately \$80,350 to AEHSB pursuant to the memorandum of understanding. There were no amounts owing to or from AEHSB at April 30, 2026. All related party transactions were conducted in the normal course of operations and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

BIATHLON CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2026

8. Internally restricted and interfund transfers

The Board of Directors has designated certain net assets as internally restricted for the purpose of funding operating expenses in the event of a loss of funding. These net assets are to be used for the designated purpose unless otherwise determined by the Board of Directors. During the year, \$300,000 was transferred from unrestricted net assets to internally restricted net assets. In addition, \$60,421 was transferred from unrestricted net assets to the invested in property and equipment fund to finance property and equipment acquisitions made during the year.

9. Financial instruments

The Organization is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Organization's exposure to these risks.

(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 with respect to its accounts receivable.

(b) Foreign currency risk

The Organization is exposed to foreign currency risk arising from fluctuations in exchange rates for transactions denominated in Euros and U.S. dollars. At April 30, 2026, the Organization held cash balances of approximately €291,205 (CAD \$464,937) (2025 - €145,386 (CAD \$228,068)) and no U.S. dollar denominated cash balances (2025 - US\$88 (CAD \$125)). The Organization has assessed its foreign currency risk as moderate due to the value of these transactions and balances.

(c) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.