



Financial Statements

Golf Association of Ontario

October 31, 2025

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Independent Auditor's Report

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To the Members of
Golf Association of Ontario

Opinion

We have audited the financial statements of Golf Association of Ontario (the "Association"), which comprise the statement of financial position as at October 31, 2025, and the statements of operations, 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 October 31, 2025, and the results of its operations and its 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 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 these 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:

- 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.

Doane Grant Thornton LLP

Mississauga, Canada
January 6, 2026

Chartered Professional Accountants
Licensed Public Accountants

Golf Association of Ontario

Statement of Financial Position

October 31

2025

2024

Assets

Current

| | | |
|------------------------|------------------|---------------|
| Cash | \$ 1,461,608 | \$ 1,160,702 |
| Accounts receivable | 442,190 | 555,682 |
| Short-term investments | 26,752 | - |
| Inventory | 24,028 | 24,101 |
| Prepaid expenses | <u>47,511</u> | <u>49,841</u> |
| | 2,002,089 | 1,790,326 |

| | | |
|-------------------------|---------------------|---------------------|
| Investments | 1,673,328 | 1,474,509 |
| Capital assets (Note 3) | <u>201,001</u> | <u>214,118</u> |
| | \$ 3,876,418 | \$ 3,478,953 |

Liabilities

Current

| | | |
|--|------------------|---------------|
| Accounts payable and accrued liabilities | \$ 1,075,427 | \$ 1,021,154 |
| Deferred revenue | <u>49,174</u> | <u>47,174</u> |
| | 1,124,601 | 1,068,328 |

Net assets

Restricted

| | | |
|--------------------------------|---------------------|---------------------|
| Internally restricted (Note 4) | 428,182 | 369,432 |
| Externally restricted (Note 4) | 229,941 | 175,058 |
| Endowment (Note 4) | 170,057 | 170,057 |
| Invested in capital assets | 201,001 | 214,118 |
| Unrestricted | <u>1,722,636</u> | <u>1,481,960</u> |
| | 2,751,817 | 2,410,625 |
| | \$ 3,876,418 | \$ 3,478,953 |

Commitments (Note 5)

On behalf of the Board of Directors

DocuSigned by:


 Director

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Michael Lamontagne

DocuSigned by:


 Director

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Barry O'Brien

See accompanying notes to the financial statements.

Golf Association of Ontario

Statement of Operations

Year ended October 31

| | General | Restricted | 2025 | 2024 |
|--|-------------------|------------------|-------------------|-------------------|
| Revenue | | | | |
| Membership | \$ 5,492,878 | \$ - | \$ 5,492,878 | \$ 5,154,744 |
| Programs | | | | |
| Competitions | 754,444 | - | 754,444 | 743,211 |
| Junior performance | 554,888 | - | 554,888 | 510,389 |
| Participation | 43,937 | - | 43,937 | 56,909 |
| Handicap and course rating | 10,379 | - | 10,379 | 17,142 |
| Government grants | 415,657 | - | 415,657 | 269,492 |
| Sponsorships | 289,000 | - | 289,000 | 299,942 |
| Fund development | 328,036 | - | 328,036 | 298,345 |
| Miscellaneous | 2,915 | - | 2,915 | 5,068 |
| | <u>7,892,134</u> | <u>-</u> | <u>7,892,134</u> | <u>7,355,242</u> |
| Expenses | | | | |
| Membership | | | | |
| Golf Canada membership fees | 2,255,108 | - | 2,255,108 | 2,185,042 |
| Membership expenses | 90,959 | - | 90,959 | 103,117 |
| Direct programs | | | | |
| Amateur golf competitions | 681,570 | - | 681,570 | 730,454 |
| Junior performance | 672,318 | - | 672,318 | 618,385 |
| Participation programming | 209,014 | - | 209,014 | 156,948 |
| Regional support | 63,529 | - | 63,529 | 57,764 |
| Handicap and course rating | 53,252 | - | 53,252 | 70,315 |
| Administration | 632,508 | - | 632,508 | 581,282 |
| Marketing | 270,595 | - | 270,595 | 246,690 |
| Fund development | 122,464 | - | 122,464 | 62,587 |
| Salaries and benefits | 2,654,054 | - | 2,654,054 | 2,431,317 |
| | <u>7,705,371</u> | <u>-</u> | <u>7,705,371</u> | <u>7,243,901</u> |
| Excess of revenue over expenses before the undernoted | 186,763 | - | 186,763 | 111,341 |
| Amortization | (80,060) | - | (80,060) | (67,500) |
| Realized investment income | 52,825 | 16,142 | 68,967 | 79,675 |
| Unrealized gains on investments | 126,781 | 38,741 | 165,522 | 226,970 |
| Excess of revenue over expenses | <u>\$ 286,309</u> | <u>\$ 54,883</u> | <u>\$ 341,192</u> | <u>\$ 350,486</u> |

See accompanying notes to the financial statements.

Golf Association of Ontario Statement of Changes in Net Assets

Year ended October 31

| | Internally Restricted | Externally Restricted | Restricted Total | Endowment | Invested in Capital Assets | Unrestricted | 2025 Total | 2024 Total |
|--|--------------------------|--------------------------|---------------------|-------------------|----------------------------------|---------------------|----------------------------|---------------------|
| Net assets, beginning of year | \$ 369,432 | \$ 175,058 | \$ 544,490 | \$ 170,057 | \$ 214,118 | \$ 1,481,960 | \$ 2,410,625 | \$ 2,060,139 |
| Excess (deficiency) of revenue over expenses | - | 54,883 | 54,883 | - | (80,060) | 366,369 | 341,192 | 350,486 |
| Transfer of investment income to internally restricted fund | 58,750 | - | 58,750 | - | - | (58,750) | - | - |
| Purchase of capital assets | - | - | - | - | 66,943 | (66,943) | - | - |
| Net assets, end of year | <u>\$ 428,182</u> | <u>\$ 229,941</u> | <u>\$ 658,123</u> | <u>\$ 170,057</u> | <u>\$ 201,001</u> | <u>\$ 1,722,636</u> | <u>\$ 2,751,817</u> | <u>\$ 2,410,625</u> |

See accompanying notes to the financial statements.

Golf Association of Ontario

Statement of Cash Flows

Year ended October 31

2025

2024

Cash provided by (used in)

Operating

| | | | | |
|--|----|----------------|----|-----------|
| Excess of revenue over expenses | \$ | 341,192 | \$ | 350,486 |
| Items not affecting cash | | | | |
| Amortization | | 80,060 | | 67,500 |
| Unrealized gains on investments | | (165,522) | | (226,970) |
| | | 255,730 | | 191,016 |
| Changes in non-cash working capital | | | | |
| Accounts receivable | | 113,492 | | 29,549 |
| Inventory | | 73 | | 8,467 |
| Prepaid expenses | | 2,330 | | (7,104) |
| Accounts payable and accrued liabilities | | 54,273 | | 34,112 |
| Deferred revenue | | 2,000 | | 38,174 |
| | | 427,898 | | 294,214 |

Investing

| | | | | |
|------------------------------------|--|------------------|--|-----------|
| Purchase of capital assets | | (66,943) | | (118,758) |
| Net change in investments | | (33,297) | | (20,792) |
| Purchase of short-term investments | | (26,752) | | - |
| | | (126,992) | | (139,550) |

Increase in cash during the year

300,906 154,664

Cash, beginning of year

1,160,702 1,006,038

Cash, end of year

\$ 1,461,608 \$ 1,160,702

See accompanying notes to the financial statements.

Golf Association of Ontario

Notes to the Financial Statements

October 31, 2025

1. Nature of organization

The Golf Association of Ontario (the "Association") is a not-for-profit organization incorporated under the laws of the Province of Ontario and, as such, is exempt from income taxes. The Association provides leadership and promotes the growth and development of amateur golf and recreational participation throughout Ontario while preserving the integrity and traditions of the game.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies.

Fund accounting

The resources of the Association are classified into funds according to the activities or objectives specified as follows.

The Restricted and Endowment Funds consist of the following:

Junior Golf Development Program Fund

The net assets of this fund are internally restricted by the Board of Directors (the "Board") for the advancement and development of junior golf in the Province of Ontario whether through specific gifts or grants to individual golfers.

The endowed portion represents the original \$95,057 externally restricted endowment, of which the investment income earned is externally restricted for the advancement and development of junior golf in the Province of Ontario.

Ken McKenzie Scholarship Fund

Ken McKenzie Scholarship Fund reports externally restricted resources to provide scholarships to junior golfers. The principal amount of \$75,000 has been endowed and the investment income earned on the assets of the fund is externally restricted to provide a scholarship annually to junior golfers.

Marlene Streit Awards Fund

Marlene Streit Awards Fund reports externally restricted resources that are used to provide outstanding junior girl golfers who are members of the Association with travel expenses to attend junior competitions outside Canada. Investment income earned on the assets of the fund are externally restricted for this fund.

Bill Bath Scholarship Fund

Bill Bath Scholarship Fund reports externally restricted resources that are used to provide scholarships to Ontario student athletes. Investment income earned on the assets of the fund are externally restricted for this fund.

Junior Scholarships Fund

This Fund is internally restricted to ensure funds are available to maintain the annual scholarships at the current level. Investment income earned on the assets of the fund are internally restricted for this fund.

Golf Association of Ontario

Notes to the Financial Statements

October 31, 2025

2. Summary of significant accounting policies (continued)

Fund accounting (continued)

Invested in capital assets reflects the assets, liabilities, revenue and expenses related to the Association's capital assets.

The Unrestricted Fund accounts for the Association's program delivery and administrative activities.

Revenue recognition

The Association follows the restricted fund method of accounting for contributions, including government grants. Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted and endowment contributions are recognized as revenue of the appropriate externally restricted or endowment fund. Externally restricted contributions for which no restricted fund has been established are deferred and recognized as revenue of the Unrestricted Fund in the year in which the related expenditures are incurred.

Memberships are recognized in revenue over the term of the membership. Program revenue is recognized over the term of the program. Sponsorship revenue is recognized over the term of the sponsorship. If revenue is received in advance over the term of service, it is recorded as deferred revenue.

Investment income, including unrealized gains (losses) and miscellaneous revenue are recognized as earned.

Financial instruments

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Association's financial instruments are comprised of cash, accounts receivable, short-term investments, investments, and accounts payable. The Association initially measures its financial assets and liabilities at fair value and subsequently measures its financial assets and liabilities at amortized cost, except for investments, which are measured at fair value. Investments are comprised of mutual funds, with the exception of short-term investments, which are invested in guaranteed investment certificates with annual interest rates between 3.20% and 3.60%, maturing between February and September 2026.

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 the statement of 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.

Inventory

The cost of inventory comprises the purchase price and other costs directly attributable to its acquisition. Inventory, consisting entirely of finished goods, are stated at the lower of cost and net realizable value and relieved on a first-in, first-out basis. Net realizable value is the estimated selling price, in the ordinary course of business, less the estimated costs necessary to make the sale.

Inventory is adjusted to net realizable value when their cost is not estimated to be recoverable. The amount of any write-down of inventory to net realizable value are recognized in the statement of operations in the period the write-down occurs.

Golf Association of Ontario

Notes to the Financial Statements

October 31, 2025

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful life of the assets, as follows:

| | |
|--------------------------------|--------------|
| Office furniture and equipment | 3 - 15 years |
| Leasehold improvements | 15 years |
| Vehicles | 3 years |

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of 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 management's best estimates as additional information becomes available in the future. Estimates include the allowance for doubtful accounts, the valuation of inventory and investments, and the useful life of capital assets.

Contributed materials and services

Contributed materials which are used in the normal course of the Association's operations and would otherwise have been purchased are recorded at their fair market value at the date of contribution, if fair value can be reasonably estimated. The current year's contributed materials that are recorded have an estimated fair value of \$211,000 (2024 - \$186,000).

Due to the difficulty of determining their fair value, volunteer services are not recognized in the financial statements.

3. Capital assets

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>2025 Net Book Value</u> | <u>2024 Net Book Value</u> |
|--------------------------------|-------------------|-------------------------------------|------------------------------------|------------------------------------|
| Office furniture and equipment | \$ 546,525 | \$ 377,225 | \$ 169,300 | \$ 201,181 |
| Leasehold improvements | 41,988 | 41,988 | - | - |
| Vehicles | 62,791 | 31,090 | 31,701 | 12,937 |
| | <u>\$ 651,304</u> | <u>\$ 450,303</u> | <u>\$ 201,001</u> | <u>\$ 214,118</u> |

Golf Association of Ontario

Notes to the Financial Statements

October 31, 2025

4. Restricted and Endowment Funds

| | <u>2025</u> | <u>2024</u> |
|--------------------------------------|-------------------|-------------------|
| <i>Internally restricted</i> | | |
| Junior Scholarships Fund | \$ 319,306 | \$ 275,495 |
| Junior Golf Development Program Fund | <u>108,876</u> | <u>93,937</u> |
| | <u>\$ 428,182</u> | <u>\$ 369,432</u> |
| <i>Externally restricted</i> | | |
| Junior Golf Development Program Fund | \$ 115,156 | \$ 86,313 |
| Marlene Streit Awards Fund | 60,266 | 51,997 |
| Ken McKenzie Scholarship Fund | 33,656 | 18,748 |
| Bill Bath Scholarship Fund | <u>20,863</u> | <u>18,000</u> |
| | <u>\$ 229,941</u> | <u>\$ 175,058</u> |
| <i>Endowment</i> | | |
| Junior Golf Development Program Fund | \$ 95,057 | \$ 95,057 |
| Ken McKenzie Scholarship Fund | <u>75,000</u> | <u>75,000</u> |
| | <u>\$ 170,057</u> | <u>\$ 170,057</u> |

5. Commitments

The Association has operating leases for its premises, various office equipment and vehicles, which expire at various dates until fiscal 2028. The minimum annual lease payments (excluding HST) are approximately as follows:

| | |
|------|------------------|
| 2026 | \$ 32,673 |
| 2027 | 23,187 |
| 2028 | <u>10,716</u> |
| | <u>\$ 66,576</u> |

6. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. There were no changes in risk from prior year.

Golf Association of Ontario

Notes to the Financial Statements

October 31, 2025

6. Financial instruments (continued)

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 Association's main credit risks relate to its accounts receivable.

The Association reduces its exposure to credit risk by performing credit assessments on a regular basis and creating an allowance for doubtful accounts when applicable. At October 31, 2025, the allowance for doubtful accounts is \$4,000 (2024 - \$4,000).

Liquidity risk

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

The Association reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintaining adequate cash reserves to repay creditors.

Interest rate risk

Interest rate risk is the risk that the fair value of an interest-bearing financial instrument will fluctuate due to changes in market interest rates. Interest rate cash flow risk is the risk that the cash flows of the Association will fluctuate due to changes in market interest rates.

The Association's exposure to interest rate risk is limited to its fixed interest-bearing investments. The Association's exposure to interest rate cash flow risk is limited to its variable interest-bearing investments. The Association reduces its exposure to interest rate risk on its investments by having an investment policy which requires a diversified portfolio.

Other price risk

The Association is exposed to certain price risks which cause the fair value of its investments to fluctuate. To protect against this risk, the Association has developed an investment policy which requires diversified investments through mutual funds to ensure the portfolio meets specific requirements.