# THE ALBERTA EQUESTRIAN FEDERATION SOCIETY

**FINANCIAL STATEMENTS**
(Audited)

**December 31, 2025**

# THE ALBERTA EQUESTRIAN FEDERATION SOCIETY

**December 31, 2025**

**Contents**

**Independent Auditor's Report**

To the Members of:
The Alberta Equestrian Federation Society

**Report on the Audit of the Financial Statements**

**Opinion**

I have audited the Statement of Financial Position of the Alberta Equestrian Federation Society as at December 31, 2025 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2025.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Alberta Equestrian Federation Society as at December 31, 2025 and the results of its operations and cash flows for the year ended December 31, 2025 in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for Opinion**

I conducted the audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Alberta Equestrian Federation Society in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements.  I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit 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 Canadian accounting standards for not-for-profit organizations and for such internal controls as management determines 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 Alberta Equestrian Federation Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Society'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 Society's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my report. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Society 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.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit**.**



**Other Matter**

The prior year financial statements were not audited.

Calgary, Alberta
Date of board approval

Michael Ihekuna CPA
Chartered Professional Accountant

# THE ALBERTA EQUESTRIAN FEDERATION SOCIETY

## STATEMENT OF FINANCIAL POSITION

(Audited)

**As at December 31, 2025**

| | 2025 | 2024 (Unaudited and Restated) |
|---|---|---|
| **ASSETS** | | |
| **Current** | | |
| Cash and cash equivalents, unrestricted | **$ 211,562** | $ 13,946 |
| Accounts receivable | **145,041** | 2,557 |
| Goods and services tax recoverable | **-** | 8,975 |
| Prepaid expenses | **23,804** | 19,014 |
| | **380,407** | 44,492 |
| **Externally Restricted Assets (Note 3)** | **210,417** | 134,075 |
| **Property and Equipment (Note 4)** | **73,026** | 76,097 |
| **Long term investments (Note 6)** | **186,306** | 178,875 |
| | **$ 850,156** | $ 433,539 |
| **LIABILITIES AND NET ASSETS** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | **$ 78,749** | $ 63,334 |
| Goods and services tax payable | **8,513** | - |
| Deferred membership revenues (Note 7) | **292,047** | 7,021 |
| Insurance payable | **115,905** | 602 |
| Source deductions payable | **2,294** | 197 |
| Deferred cash contributions (Note 3) | **210,417** | 134,075 |
| **Total Current Liabilities** | **707,925** | 205,229 |
| **Total Liabilities** | **707,925** | 205,229 |
| **Net Assets** | | |
| Unrestricted | **69,205** | 152,213 |
| Invested in property and equipment | **73,026** | 76,097 |
| | **142,231** | 228,310 |
| | **$ 850,156** | $ 433,539 |

**COMMITMENTS (NOTE 9)**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

______________________________ Director

______________________________ Director

See Notes to the Financial Statements

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# THE ALBERTA EQUESTRIAN FEDERATION SOCIETY
## STATEMENT OF CHANGES IN NET ASSETS
(Audited)

**For the Year Ended December 31, 2025**

| | Unrestricted | Invested in property and equipment | 2025 Totals | 2024 Totals (Unaudited and restated) |
|---|---|---|---|---|
| Balances, beginning of the year | $ **(203,304)** | **76,097** | **(127,207)** | (85,289) |
| Prior period adjustment (Note 11) | **355,517** | **-** | **355,517** | 355,517 |
| Balances, as restated | **152,213** | **76,097** | **228,310** | 270,228 |
| Deficiency of revenues over expenses | **(83,008)** | **(3,071)** | **(86,079)** | (41,918) |
| Balances, end of the year | $ **69,205** | **73,026** | **142,231** | 228,310 |

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See Notes to Financial Statements

# THE ALBERTA EQUESTRIAN FEDERATION SOCIETY
## STATEMENT OF OPERATIONS
(Audited)

**For the Year Ended December 31, 2025**

| | 2025 | 2024 (Unaudited and Restated) |
|---|---|---|
| **Revenue** | | |
| Membership and insurance | **$ 793,089** | $ 851,211 |
| Donations, restricted (Note 10) | **514,394** | 691,953 |
| Education | **93,895** | 43,885 |
| Casino contributions (Note 5) | **81,927** | 3,717 |
| Government grants (Note 8) | **81,700** | 81,700 |
| Sport | **23,601** | 32,145 |
| Advertising and merchandise sale | **22,611** | 37,055 |
| Recreation | **12,115** | 11,547 |
| Other income | **7,005** | 9,883 |
| Interest income | **6,725** | 7,476 |
| Donations, unrestricted | **1,068** | 25,850 |
| | **1,638,130** | 1,796,422 |
| **Expenses** | | |
| Wages and benefits | **619,819** | 636,220 |
| Sport | **411,653** | 447,606 |
| Administration | **281,600** | 338,729 |
| Education | **96,084** | 62,411 |
| Rent | **69,100** | 72,274 |
| Alberta bits magazine | **60,059** | 58,723 |
| Office | **48,804** | 46,895 |
| Professional fees | **27,550** | 14,849 |
| Development and training | **27,283** | 29,659 |
| Interest and bank charges | **14,362** | 17,210 |
| Recreation | **13,478** | 61,475 |
| Merchandise purchases | **10,110** | 15,226 |
| Insurance | **7,661** | 4,672 |
| Telecommunications | **6,194** | 5,647 |
| Travel | **806** | 4,653 |
| Breeds & industry | **-** | 3,067 |
| | **1,694,563** | 1,819,316 |
| **Deficiency of revenue before amortization** | **(56,433)** | (22,894) |
| Less: Amortization expense | **(29,646)** | (19,024) |
| **Deficiency of revenue after amortization** | **$ (86,079)** | $ (41,918) |

See Notes to Financial Statements

# THE ALBERTA EQUESTRIAN FEDERATION SOCIETY

## STATEMENT OF CASH FLOWS

(Audited)

**For the Year Ended December 31, 2025**

| | 2025 | 2024 (Unaudited and restated) |
|---|---|---|
| **Cash generated from (used in):** | | |
| **Operating Activities** | | |
| Deficiency of revenues over expenses | **$ (86,079)** | $ (41,918) |
| Charges not affecting cash: | | |
| Amortization expense | **29,646** | 19,024 |
| | **(56,433)** | (22,894) |
| Changes in non-cash operating working capital: | | |
| Accounts receivable | **(232,122)** | 267,194 |
| Goods and services tax recoverable | **17,488** | (2,467) |
| Prepaid expenses | **(4,791)** | 5,339 |
| Accounts payable and accrued liabilities | **15,418** | 21,206 |
| Source deductions payable | **2,097** | (1,479) |
| Deferred membership revenue | **285,026** | (347,659) |
| Insurance payable | **115,303** | (119,594) |
| | **198,419** | (177,460) |
| Cash flows from operating activities | **141,986** | (200,354) |
| **Investing Activities** | | |
| Purchase of capital assets | **(26,576)** | (8,104) |
| Purchase of investments | **(7,431)** | (7,463) |
| Cash flows from investing activities | **(34,007)** | (15,567) |
| **Financing Activities** | | |
| Deferred cash contributions | **76,342** | (42,706) |
| Cash flows from financing activities | **76,342** | (42,706) |
| **Increase (decrease) in cash and cash equivalents** | **184,321** | (258,627) |
| Cash and cash equivalents, beginning of the year | **148,021** | 406,648 |
| **Cash and cash equivalents, end of the year** | **$ 332,342** | $ 148,021 |
| **Consisting of:** | | |
| Unrestricted cash and cash equivalents | **$ 211,562** | $ 13,946 |
| Externally restricted cash and cash equivalents (Note 3) | **120,780** | 134,075 |
| | **$ 332,342** | $ 148,021 |



See Notes to Financial Statements

# THE ALBERTA EQUESTRIAN FEDERATION SOCIETY
## NOTES TO THE FINANCIAL STATEMENTS
(Audited)

**December 31, 2025**

### 1. GENERAL

The Alberta Equestrian Federation Society, "the Society", was incorporated under the Societies Act of Alberta on December 6, 1978. The Society supports Alberta's equine community through programs, education, and resources that promote sport, recreation, horse welfare, sustainability, and meaningful connections among its members.

The Society is exempt from income taxes under section 149 of the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES



These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, of which the most significant policies are:

**Revenue Recognition:**
Unrestricted contributions are recognized as revenue when received or reasonable assurance is given, that they are receivable.

Contributions from externally restricted assets are recognized according to the deferral method, where revenue is recognized, when the related expense occurred.

Contributions from externally restricted assets for the purchase of property and equipment are recorded as deferred capital contributions. They will be amortized on the same basis and recorded as income, as the related capital asset is amortized and expensed.

Membership fees are recognised as revenue in the year to which they apply.

Donations are recognised as revenue when they are received.

Interest income is recognised as revenue when earned.

**Property and Equipment:**
Property and equipment greater than $1,000 are recorded at cost and amortized on a declining balance basis over the estimated life of the asset at the following rates:

| | |
|---|---|
| Computer equipment | 30% |
| Furniture and fixtures | 20% |
| Leasehold improvement | 20% |
| Website | 30% |

The Society regularly reviews its capital assets for obsolescence.

**Contributed Goods and Services**
Contributed services and donated items are recognized in the financial statements when the fair value can reasonably be estimated, when the services are used in the normal course of the Societies' operations and would otherwise have been purchased.

A number of volunteers have made significant contributions of their time to the Society. The value of this contributed time is not reflected in these financial statements.

## THE ALBERTA EQUESTRIAN FEDERATION SOCIETY
**NOTES TO THE FINANCIAL STATEMENTS**
(Audited)

**December 31, 2025**



### Financial Instruments

**Measurement of Financial Instruments:**

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable, investments and accounts payable.

**Financial Risk:**

It is management's opinion that the Society is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

### Use of Estimates

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the collectibility of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

## 3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

Externally restricted assets include unspent grant funding which is restricted to approved objectives of the grant provider.

| | 2025 | 2024 |
|---|---|---|
| Casino, cash | **$ 1,283** | $ 83,210 |
| Restricted donations held in general bank (Note 10) | **119,497** | 50,865 |
| **Externally restricted cash and cash equivalents** | **120,780** | 134,075 |
| Casino receivable | **89,637** | - |
| **Externally restricted assets / deferred cash contributions** | **$ 210,417** | $ 134,075 |

## 4. PROPERTY AND EQUIPMENT

| | Cost | Accumulated Amortization | NBV 2025 | NBV 2024 |
|---|---|---|---|---|
| Computer equipment | $ **106,591** | **75,847** | **30,744** | 38,098 |
| Furniture and fixtures | **118,898** | **108,617** | **10,281** | 12,152 |
| Leasehold improvements | **5,713** | **5,713** | **-** | 131 |
| Website | **85,767** | **53,766** | **32,001** | 25,716 |
| | $ **316,969** | **243,943** | **73,026** | 76,097 |

## 5. CASINO CONTRIBUTIONS

Funds generated from casino activities are restricted to spending according to Alberta Gaming and Liquor Commission and reported as deferred cash contributions until spent.

| | 2025 | 2024 |
|---|---|---|
| Casino bank, beginning of the year (Note 3) | $ **83,210** | $ 5,006 |
| AGLC Casino proceeds | **-** | 81,917 |
| Casino advisor fee reimbursement | **2,351** | 2,280 |
| Casino advisor fees | **(2,351)** | (2,351) |
| Transfers | **-** | 75 |
| Casino bank, end of year ( Note 3) | **(1,283)** | (83,210) |
| Contributed to operations | $ **81,927** | $ 3,717 |



## 6. LONG TERM INVESTMENT

| | | 2025 |
|---|---|---|
| GIC | Maturing November 9, 2026 @ 3.50% | $ 62,522 |
| GIC | Maturing November 9, 2028 @ 2.90% | 63,692 |
| GIC | Maturing November 9, 2026 @ 4.87% | 60,092 |
| | | 186,306 |

## 7. DEFERRED MEMBERSHIP REVENUES

Deferred membership fees represents funds collected in advance. Membership fees expire at the end of the calendar year - December 31.

| | | |
|---|---|---|
| | | **2025** |
| Deferred memberships | **$** | **292,047** |

## 8. GOVERNMENT GRANTS

The Society receives unrestricted operating grant from the Government of Alberta from the Association Development Program (ADP) for $81,700 (2024: $81,700).

## 9. COMMITMENTS

The society is in a lease agreement with contractual payout obligations with estimated minimum annual payments as follows

| | |
|---|---|
| 2026 | $70,869 |
| 2027 | $70,869 |
| 2028 | $79,102 |
| 2029 | $79,102 |
| **Total** | **299,942** |

## THE ALBERTA EQUESTRIAN FEDERATION SOCIETY
**NOTES TO THE FINANCIAL STATEMENTS**
(Audited)

**December 31, 2025**

### 10. RESTRICTED DONATIONS

The society receives donations from various sources which are restricted to certain purposes. Donations are not recognised into income until the conditions attached to their use are met. Unspent restricted donations are deferred and recorded as a liability.

| | 2025 |
|---|---|
| **Trail supporter** | $ 10,927 |
| Donations received | 4,186 |
| Spent on approved use | (3,000) |
| Unspent funding / deferred to next year | 12,113 |
| | |
| **Government of Alberta - Ministry of Tourism and Sport - Donation Fund Program** | 550,000 |
| Spent on approved use | (507,771) |
| Unspent funding / deferred to next year | 42,229 |
| | |
| **Provincial circuit levy** | 5,516 |
| Provincial circuit levy revenue | 11,610 |
| Spent on approved use | (33) |
| Unspent funding / deferred to next year | 17,093 |
| | |
| **Scholarships - rider** | 4,204 |
| Donations received | 300 |
| Spent on approved use | (2,090) |
| Unspent funding / deferred to next year | 2,414 |
| | |
| **Scholarships - education** | 14,285 |
| Spent on approved use | (1,500) |
| Unspent funding / deferred to next year | 12,785 |
| | |
| **Equine emergency disaster** | 15,933 |
| Donations received | 16,930 |
| Spent on approved use | - |
| Deferred to next year | 32,863 |
| | |
| **SUMMARY:** | |
| **Donations spent on approved use** | **$ 514,394** |
| **Deferred to next year (Note 3)** | **$ 119,497** |

### 11. COMPARATIVE FIGURES AND PRIOR PERIOD RESTATEMENT

During the year, it was noted that the financial statements were not prepared according to the deferral method of accounting for externally restricted contributions. Unspent casino and restricted donations were not correctly deferred and recognised into income in line with the deferral method of accounting.

Also, it was noted that the casino bank reconciliation included outstanding cheque's payable for rent in error. These cheque's were not outstanding as they were written subsequent to the year end.

Therefore a prior period adjustment has been recorded with the net effect on the comparative figures as follows:

| | |
|---|---|
| Decrease in deferred cash contributions | $367,329 |
| Increase in net assets | $367,329 |
| Increase in deferred cash contributions | $11,812 |
| Decrease in net assets | $11,812 |
| Decrease in prepaid | $11,812 |
| Increase in casino bank | $11,812 |