

Financial Statements of

**THE CANADIAN SOCCER
ASSOCIATION INCORPORATED**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP
1900 – 360 Main Street
Winnipeg, MB R3C 3Z3
Canada
Tel 204 957 1770
Fax 204 957 0808

INDEPENDENT AUDITOR’S REPORT

To the Members of The Canadian Soccer Association Incorporated

Opinion

We have audited the financial statements of The Canadian Soccer Association Incorporated (the Association), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the 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 Association as at December 31, 2025, 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 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.

Other Matter – Comparative Information

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 1, 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 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 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 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 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

March 28, 2026

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 6,232,724	\$ 5,887,277
Guaranteed investment certificates (note 3)	–	5,175,966
Accounts receivable (note 11)	7,948,742	6,092,139
Due from Canada Soccer Foundation (note 12)	170,409	–
Prepaid expenses	434,518	147,971
	<u>14,786,393</u>	<u>17,303,353</u>
Capital assets held for sale (note 4)	536,545	–
Capital assets (note 4)	34,330	612,372
	<u>\$ 15,357,268</u>	<u>\$ 17,915,725</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,481,309	\$ 4,978,822
Deferred revenue (note 6)	2,375,420	3,608,162
FIFA loan (note 5)	6,853,000	7,190,000
	<u>14,709,729</u>	<u>15,776,984</u>
Deferred contributions related to capital assets (note 6)	81,704	89,874
	<u>14,791,433</u>	<u>15,866,858</u>
Net assets:		
Unrestricted	(1,423,336)	26,369
Internally restricted - reserve (note 10)	1,500,000	1,500,000
Invested in capital assets	489,171	522,498
	<u>565,835</u>	<u>2,048,867</u>
Commitments (note 8)		
Contingencies (note 9)		
Subsequent events (note 13)		
	<u>\$ 15,357,268</u>	<u>\$ 17,915,725</u>

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

On behalf of the Board of Directors:

Original signed by "Peter Augruso" Director

Original signed by "Dominique Gregoire" Director

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Membership fees	\$ 10,344,421	\$ 7,113,669
Sponsorship, licensing and broadcast (note 7)	7,028,183	6,649,431
Philanthropy (note 12)	5,179,358	1,702,825
National team events	4,364,926	3,576,173
Government grants	3,047,854	3,794,496
FIFA and Concacaf grants	5,140,328	3,128,367
FIFA and Concacaf prize money	1,498,437	7,554,481
Referee and coaching courses, referee services	3,038,261	2,470,229
Events and other	602,392	1,271,734
	40,244,160	37,261,405
Expenses:		
National teams:		
Senior national teams	14,443,779	18,935,911
Youth national teams	3,976,848	1,714,782
Other teams	640,859	418,252
Total national teams	19,061,486	21,068,945
Sporting equipment kit and apparel (note 7)	2,000,000	2,300,090
Technical and development projects	5,007,197	5,127,804
Staging, marketing and communications (note 12)	5,183,879	3,332,344
FIFA World Cup 2026 bid	—	76,384
Competitions	942,305	1,458,364
General and administrative (note 12)	7,565,161	6,479,123
Program contribution (note 8(b) and (c))	2,000,000	1,001,281
Philanthropy (note 12)	374,318	272,904
	42,134,346	41,117,239
Operating loss	(1,890,186)	(3,855,834)
Foreign exchange gain (loss)	317,811	(425,044)
Interest income	89,343	284,516
Deficiency of revenue over expenses for the year	\$ (1,483,032)	\$ (3,996,362)

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

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Statement of Changes in Net Assets

Year ended December 31, 2025, with comparative information for 2024

	Unrestricted	Internally restricted - reserve (note 10)	Invested in capital assets	2025 Total
Balance, beginning of year	\$ 26,369	\$ 1,500,000	\$ 522,498	\$ 2,048,867
Deficiency of revenue over expenses for the year	(1,408,202)	–	(74,830)	(1,483,032)
Transfer for capital asset additions	(41,503)	–	41,503	–
Balance, end of year	\$ (1,423,336)	\$ 1,500,000	\$ 489,171	\$ 565,835

	Unrestricted	Internally restricted - Reserve (note 10)	Invested in capital assets	2024 Total
Balance, beginning of year	\$ 3,984,154	\$ 1,500,000	\$ 561,075	\$ 6,045,229
Deficiency of revenue over expenses for the year	(3,957,785)	–	(38,577)	(3,996,362)
Balance, end of year	\$ 26,369	\$ 1,500,000	\$ 522,498	\$ 2,048,867

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

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in)		
Operating activities:		
Deficiency of revenue over expenses for the year	\$ (1,483,032)	\$ (3,996,362)
Items not affecting cash		
Amortization of capital assets	83,000	46,748
Amortization of deferred contributions related to capital assets	(8,170)	(8,171)
Accrued interest	–	(175,966)
Foreign exchange loss (gain)	(317,811)	505,092
Change in non-cash working capital items:		
Accounts receivable	(1,856,603)	1,832,280
Due from Canada Soccer Foundation	(170,409)	–
Prepaid expenses	(286,547)	(112,387)
Accounts payable and accrued liabilities	502,487	(2,618,909)
Deferred revenue	(1,232,742)	1,817,370
	(4,769,827)	(2,710,305)
Investing activities:		
Purchase of capital assets	(41,503)	–
Purchase of guaranteed investment certificate	(4,000,000)	(6,000,000)
Proceeds on redemption of guaranteed investment certificate	9,175,966	9,282,526
	5,134,463	3,282,526
Increase in cash during the year	364,636	572,221
Effects of exchange rate changes on cash	(19,189)	71,908
Cash, beginning of year	5,887,277	5,243,148
Cash, end of year	\$ 6,232,724	\$ 5,887,277

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

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements

Year ended December 31, 2025

1. Purpose of the Association:

The mission of The Canadian Soccer Association Incorporated (the "Association"), in partnership with its members, is to promote the growth and development of soccer for all Canadians at all levels and to provide leadership and good governance for the sport. The Association is incorporated under the provisions of the *Canada Not-for-profit Corporations Act* and, as a Registered Canadian Amateur Athletic Association under the *Income Tax Act* (Canada), is exempt from income taxes.

2. Summary of significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations as set out in Part III of the CPA Canada Handbook - Accounting and include the significant accounting policies described below.

(b) Guaranteed investment certificates:

Guaranteed investment certificates are measured at amortized cost. Interest income is recognized in the statement of operations in the year earned.

(c) Capital assets:

Capital assets are recorded at cost. Amortization of capital assets is provided on a straight-line basis at rates estimated to amortize the assets over their estimated useful lives. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

The amortization rates applicable to the various classes of capital assets are as follows:

Building	40 years
Building improvements	10 years
Furniture and equipment	3 years

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Summary of significant accounting policies (continued):

(c) Capital assets (continued):

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When circumstances indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-down of the asset is charged to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

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, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association 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 Association 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 carrying value.

(e) Revenue recognition:

The Association follows the deferral method of accounting for restricted contributions. Restricted contributions are recognized as revenue in the year in which the related events take place or the related expenses are incurred. Unrestricted revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Summary of significant accounting policies (continued):

(e) Revenue recognition (continued):

Membership fees and revenue from sponsorship agreements are recognized on a straight-line basis over the term of the contract.

Contributed sporting equipment kit and apparel are recorded at their fair values.

Revenue from sales and service transactions is only recognized when the requirements as to performance are satisfied and when at the time of performance ultimate collection is reasonably assured. Revenue for electronic course material is recorded when the material is delivered to the students. Revenue related to the practical training component, when applicable, is recognized as training is provided to students.

Effective January 1, 2026, the Association entered a new agreement with CSME LP (CSME) (previously CSB LP) (note 13 [b]). Revenue recognized in the years ended December 31, 2025 and 2024 were governed by the agreement then in effect with CSB LP as outlined below.

On January 1, 2019, the Association entered into a representation agreement with CSB LP (CSB). Under the agreement, the Association grants CSB broadcasting and sponsorship rights and allows CSB to act as the Association's exclusive agent and representative with respect to those broadcasting and sponsorship rights for the term of the agreement. Under the agreement, CSB retains any and all revenue from any agreement negotiated and/or signed in connection with the representation, including all revenue generated pursuant to sponsorship agreements and broadcasting agreements, and pays a fees to the Association. The initial term of the agreement is for nine years to December 1, 2027, with a possible extension, at the discretion of CSB, to December 31, 2037.

In exchange, the Association is entitled to receive annual sponsorship guarantee payments (between \$3 to \$4 million annually), and certain other payments, including payments in relation to international broadcast rights starting in 2023, and a potential earn out payment due at the end of the initial term. In addition, the Association is entitled to receive additional funding amounts from CSB, no less than the amounts received by a single Canadian Premier League (CPL) founding team (the CSA Interest). To date, no additional funding has been received under the CSA Interest, and management does not believe it is likely to receive funding under the CSA Interest in the future.

For the year ended December 31, 2025, \$3,900,000 of revenue was recorded in relation to the agreement (2024 - \$3,965,000).

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Summary of significant accounting policies (continued):

(f) Foreign currency translation:

Foreign currency translation and balances are translated using the temporal method. Under this method, monetary assets and liabilities are translated at year-end exchange rates and non-monetary assets and liabilities are translated at the exchange rates prevailing at the transaction date. Revenue and expenses are translated at the exchange rates prevailing at the transaction date. Any gains or losses arising from the translation of foreign currency are recognized in net income.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and accounts receivable. Actual results could differ from those estimates.

3. Guaranteed investment certificates:

	2025	2024
Guaranteed investment certificates, bearing interest rates at RBC's prime rate minus 2.00%, matured in 2025	\$ —	\$ 5,175,966

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

4. Capital assets:

			2025
	Cost	Accumulated amortization	Net book value
Land	\$ 255,998	\$ –	\$ 255,998
Building	615,171	450,728	164,443
Building improvements	665,887	549,783	116,104
Furniture and equipment	238,984	204,654	34,330
Capital assets held for sale	(1,537,056)	(1,000,511)	(536,545)
	\$ 238,984	\$ 204,654	\$ 34,330

			2024
	Cost	Accumulated amortization	Net book value
Land	\$ 255,998	\$ –	\$ 255,998
Building	615,171	432,728	182,443
Building improvements	665,887	501,188	164,699
Furniture and equipment	304,521	295,289	9,232
	\$ 1,841,577	\$ 1,229,205	\$ 612,372

On September 30, 2025, the Association listed the land and building of its offices for sale. As a result, the net book value of land, building and building improvements have been classified as available for sale on the statement of financial position.

5. FIFA loan:

On June 19, 2023, the Association entered into a loan agreement with Federation Internationale de Football Association (FIFA). Under the loan agreement, FIFA provided US\$5,000,000 to the Association as part of Stage 3 of the FIFA COVID-19 Relief Plan, to help alleviate the economic effects of the global COVID-19 pandemic. The loan is repayable within eight years and does not bear interest.

Under the loan agreement, FIFA retains the right to early repayment on demand, as well as to reduce, deduct, and/or set off against any amount allocated or owed by FIFA to the Association, including under any entitlement arising from prize money resulting from participation in FIFA competitions or from entitlements arising from a FIFA program. FIFA did not elect early repayment or choose to set-off future funding entitlements or prize money against debt repayments in the year ended December 31, 2025 (2024 - nil).

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. FIFA loan (continued):

Under the loan agreement, US\$4,000,000 (\$5,394,800, translated to Canadian \$ on the date of receipt of the funds) of the loan proceeds is required to be spent on the participation of national teams of all age categories in restarted competitions and US\$1,000,000 (\$1,348,700, translated to Canadian \$ on the date of receipt of the funds) is required to be spent on the payment of staff costs and the (re-) hiring of essential staff where necessary. As of December 31, 2025, the Association had met the required spending commitments.

Assuming funding payments are not offset, and early repayment is not demanded, regular principal payments are required within the next six years as follows:

		US\$
2027	\$	1,000,000
2028		1,000,000
2029		1,000,000
2030		1,000,000
2031		1,000,000
	\$	5,000,000

6. Deferred revenue and deferred contributions related to capital assets:

(a) Deferred revenue:

Deferred revenue is contributions that have been received and relate to expenses to be incurred in subsequent years.

Changes in the deferred revenue balance are as follows:

	2025		2024	
Balance, beginning of year	\$	3,608,162	\$	1,790,792
Amounts received		5,530,844		5,308,409
Amounts recognized as revenue		(6,763,586)		(3,491,039)
Balance, end of year	\$	2,375,420	\$	3,608,162

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

6. Deferred revenue and deferred contributions related to capital assets (continued):

(b) Deferred contributions related to capital assets:

In 1996, the Association received contributions of \$320,958 for the purchase of an office building located in Ottawa. These contributions have been deferred and are being amortized over 40 years, the same amortization period as the related building.

	2025		2024	
Balance, beginning of year	\$	89,874	\$	98,045
Amortization of deferred contributions for the year		(8,170)		(8,171)
	\$	81,704	\$	89,874

7. Contributed goods and services:

Contributed sporting equipment kit and apparel of \$2,000,000 (2024 - \$2,390,962) have been recognized in both revenue and expenses in the statement of operations at their assessed fair value. The revenue is included in sponsorship, licensing and broadcast. The expense is included in sporting equipment kit and apparel.

8. Commitments:

(a) The Association is committed to leases for premises in Montreal and Toronto as follows:

2026	\$	120,131
2027		103,293
2028		110,376
2029		97,802
	\$	431,602

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

8. Commitments (continued):

- (b) The Association signed a funding agreement for the period from January 1, 2019 to December 31, 2027, with Canadian Premier League, C.P.L. Soccer (CPL), to further the Association's goals as a not-for-profit organization to promote, develop and foster soccer in Canada. The funding agreement requires an annual contribution of \$1 million to CPL, which consists of a \$350,000 general funding requirement, as well as up to an additional \$650,000 to support CPL in delivery of the FIFA Forward development program. The amount paid to CPL during the year ended December 31, 2025 was \$1,000,000 (2024 - \$1,000,000).

If the aggregate annual contribution made to CPL under the funding agreement is less than \$1.5 million, amounts are accrued and applied against any future funding the Association would be eligible to receive from CSB under the CSA Interest.

- (c) The Association signed a funding agreement for the period from May 1, 2025 to December 31, 2033, with the Northern Super League (NSL) to further the Association's goals as a not-for-profit organization to promote, develop and foster soccer in Canada. The funding agreement requires a total contribution of \$9 million to NSL over the term of the agreement, of which \$1 million was paid in 2025 and the balance is to be paid quarterly over the remaining term, unless the parties mutually agree upon a different payment schedule.

9. Contingencies:

- (a) In the normal course of operations, the Association is, from time to time, subject to, or named as a defendant in, legal proceedings. Management believes that the ultimate resolution of these contingencies will not have a material adverse effect on the Association's financial position, result of operations or cash flows.
- (b) On February 16, 2024, the Canadian Soccer Players' Association (CSPA) filed an application for leave to commence a derivative action in the name of, and on behalf of, the Association, against fifteen current and former members of the Association's Board of Directors. Subsequent to this filing, on February 20, 2024, the CSPA issued a statement of claim in the Ontario Superior Court, alleging that certain current and former Board members breached their fiduciary duty to the Association in approving the CSB representation agreement (note 2) in 2019. The CSPA did not name the Association as a defendant in the statement of claim. The Association maintains coverage under Directors and Officers (D&O) insurance policies for its Directors and the claim is being handled in accordance with the terms of those policies.

10. Internally restricted net assets:

The utilization of the reserve is subject to membership approval. These funds may be used for short-term cash flow needs for the purpose of minimizing financing expenses.

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

11. Financial instruments:

The Association's financial instruments expose it to a variety of financial risks.

(a) Credit risk:

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Association to credit risk consist principally of cash, guaranteed investment certificates and accounts receivable. The Association deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

The Association's cash and guaranteed investment certificates are held with a Canadian chartered bank; therefore, management considers the likelihood of non-performance to be remote.

As of December 31, 2025, 77% of accounts receivable are owing from four debtors (2024 - 75% owing from seven debtors). As of December 31, 2025, the allowance for doubtful accounts is \$2,153,272 (2024 - \$2,107,567) and has been recorded against accounts receivable on the statement of financial position (note 13[b]). There have been no changes in the risk exposures from 2024.

(b) Market risk:

Market risk is the risk the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The Association is exposed to currency risk and interest rate risk.

- Currency risk

Currency risk is the risk the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when financial assets or financial liabilities are denominated in a currency other than Canadian dollars. The following summarizes the Association's financial instruments denominated in foreign currencies as of December 31, 2025:

- Cash denominated in US dollars amounted to \$482,069 (2024 - \$75,169).
- FIFA loan denominated in US dollars amounted to \$6,853,000 (2024 - \$7,190,000).

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

11. Financial instruments (continued):

(b) Market risk (continued):

- Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association's cash and guaranteed investment certificates contain variable interest rates based on the bank's prime rate. As a result, the Association is exposed to interest rate risk due to fluctuations in the bank's prime rate. The FIFA loan does not bear interest.

There have been no changes in the risk exposures from 2024.

(c) Liquidity risk:

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to liquidity risk mainly with respect to its accounts payable and accrued liabilities and the FIFA loan (note 5). The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget forecasts to ensure it has sufficient funds to fulfill its obligations. The Association relies on cash flows from operations and its reserves to provide cash required to meet liabilities as they fall due.

The Association's ability to meet its financial obligations is dependent on the continued financial support from membership fees, representation arrangements, government, FIFA and Concacaf grants, and donors. Additionally, it is contingent on FIFA not demanding early repayment of the FIFA loan (note 5). As of the date of these financial statements, FIFA has not exercised this right, and the Association does not anticipate that FIFA will do so in the future.

If this financial support does not continue or if there is a material reduction in funding, the Association will be required to reduce expenditure and/or seek additional funding, which could include external financing arrangements. There is no assurance that additional future funding will be available to the Association or that it will be available on terms acceptable to management. There have been no changes in the risk exposures from 2024.

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

12. Related party transactions:

Canada Soccer Foundation's (the Foundation) primary purpose is to support the efforts of the Association in promoting the growth and development of soccer in Canada. During the year ended December 31, 2025, the Foundation transferred \$500,000 (2024 - \$500,000) to the Association which is included in philanthropy revenue in the statement of operations.

Effective July 1, 2025, the Association and the Foundation entered a Memorandum of Understanding under which the Association will provide the Foundation with certain outlined services. For the period ended December 31, 2025, the Association charged the Foundation \$80,000 for these services, of which \$40,000 is due from the Foundation at year-end. The amounts charged by the Association are recorded as reductions to the relevant expenditures incurred by the Association.

In addition, the Association incurred expenditures on behalf of the Foundation in the amount of \$165,509 which are reimbursed by the Foundation. The amount of \$130,409 in reimbursements is due from the Foundation at year-end.

13 Subsequent events:

- (a) On February 23, 2026, the Association established a line of credit to a maximum of \$5,000,000 for costs expected to be incurred in connection with the FIFA World Cup. The line of credit is charged interest at prime plus 2.00 percent and is secured by a general security agreement.
- (b) On February 12, 2026, the Association signed a new representation agreement with CSME (previously CSB) which is effective January 1, 2026. The prior representation agreement was terminated. Under the agreement, the Association grants CSME broadcasting, licensing and sponsorship rights and allows CSME to act as the Association's exclusive agent and representative with respect to those rights for the term of the agreement. In addition, the Association and CSME have agreed to share revenue generated pursuant to sponsorship, licensing and broadcast agreements, on a tiered basis. The term of the agreement is for twelve years to December 31, 2037, with a mutual option to extend for five additional years to December 31, 2042. As part of the terms of the new agreement, the Association will write-off in 2026 the \$2,107,567 of accounts receivable currently included in the allowance for doubtful accounts (note 11[a]), as this treatment is stipulated under the new arrangement.

14. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

THE CANADIAN SOCCER ASSOCIATION INCORPORATED

Statement of Operations - Alternative Presentation for Sport Canada

Schedule

Year ended December 31, 2025

The Association has included the below schedule to satisfy reporting obligations under its various contribution agreements with the Canadian government, as represented by the Minister of Sport and Persons with Disabilities (the Sport Canada Contribution Agreements).

The schedule discloses the revenues realized and expenses incurred for the Association's financial year that ended on December 31, 2025, as per the budget categories set out in Annex A of the Contribution Agreements.

	2025
Revenue:	
Sport Canada grants	\$ 2,758,379
Other	37,575,124
	<u>40,333,503</u>
Expenses:	
General administration	9,691,585
Governance	366,443
Salaries, fees and benefits	3,586,196
Coaching and technical leadership salaries and professional development	4,909,315
High performance/National team program	17,282,805
Operations and programming	5,661,492
Athletes with a disability	257,241
Official languages	61,458
	<u>41,816,535</u>
Deficiency of revenue over expenses for the year	<u>\$ (1,483,032)</u>