
TRIATHLON ONTARIO
FINANCIAL STATEMENTS
MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Triathlon Ontario
MILTON
Ontario

Opinion

We have audited the accompanying financial statements of Triathlon Ontario which comprise the statement of financial position as at March 31, 2023 and the statement of earnings and 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 entity as at March 31, 2023 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.

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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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 entity'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 entity'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 entity 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.

NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
TBD

TRIATHLON ONTARIO
STATEMENT OF FINANCIAL POSITION

As at March 31,	2023	2022
ASSETS		
Current		
Cash and cash equivalents	\$ 319,636	\$ 541,882
Inventories	13,038	12,614
Prepaid expenses	<u>42,972</u>	<u>44,059</u>
	\$ 375,646	\$ 598,555
Capital Assets (Note 2)	<u>905</u>	<u>434</u>
	<u>\$ 376,551</u>	<u>\$ 598,989</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 16,000	\$ 20,083
Deferred revenues and grants (Note 3)	121,362	343,625
Current portion of CEBA loan payable (Note 4)	<u>40,000</u>	<u>-</u>
	\$ 177,362	\$ 363,708
CEBA loan payable (Note 4)	<u>-</u>	<u>40,000</u>
	\$ 177,362	\$ 403,708
NET ASSETS	<u>199,189</u>	<u>195,281</u>
	<u>\$ 376,551</u>	<u>\$ 598,989</u>

Approved by the Board:

_____ Director

_____ Director

TRIATHLON ONTARIO

STATEMENT OF EARNINGS AND CHANGES IN NET ASSETS

For the year ended March 31,	2023	2022
REVENUES (Note 3)		
Government assistance and other grants (Note 5)	\$ 413,286	\$ 297,050
Memberships	223,237	109,469
Athlete development projects	91,658	47,020
Non-membership programs	23,999	15,085
Sanction fees	19,481	14,528
Coaching and official fees	16,683	9,540
Other	7,040	3,149
Marketing	6,011	3,500
	<u>\$ 801,395</u>	<u>\$ 499,341</u>
EXPENSES		
Salaries and benefits	\$ 278,125	\$ 284,491
Membership benefits	224,052	9,491
Athlete assistance and development	170,555	104,114
General and administrative	45,218	43,860
Coaching and officials	24,838	18,670
Marketing	24,247	4,911
Non-membership programs	17,020	11,391
Communication	13,037	13,037
Amortization of capital assets	295	795
Triathlon Canada affiliation fees	100	100
Amortization of intangible assets	-	4,692
	<u>\$ 797,487</u>	<u>\$ 495,552</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 3,908	\$ 3,789
NET ASSETS - Beginning	<u>195,281</u>	<u>191,492</u>
NET ASSETS - Ending	<u>\$ 199,189</u>	<u>\$ 195,281</u>

TRIATHLON ONTARIO

STATEMENT OF CASH FLOWS

For the year ended March 31,

2023

2022

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenues over expenses	\$ 3,908	\$ 3,789
Items not affecting cash:		
Amortization of intangible assets	-	4,692
Amortization of capital assets	295	795
	<u>\$ 4,203</u>	<u>\$ 9,276</u>
Net change in non-cash working capital balances:		
Accounts receivable	-	408
Inventories	(424)	(4,193)
Prepaid expenses	1,087	(16,266)
Accounts payable and accrued liabilities	(4,083)	5,717
Deferred revenue and grants	(222,263)	221,745
	<u>\$ (221,480)</u>	<u>\$ 216,687</u>

INVESTING ACTIVITIES

Purchase of capital assets:		
Furniture and equipment	(766)	-

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

\$ (222,246) \$ 216,687

CASH AND CASH EQUIVALENTS - Beginning

541,882 325,195

CASH AND CASH EQUIVALENTS - Ending

\$ 319,636 \$ 541,882

Cash and cash equivalents consist of the following:

Cash in bank balances	\$ 19,636	\$ 61,882
Guaranteed investment certificates bearing interest at rates from 1% - 4.75% (2022 - 0.01%) maturing between May 2023 and August 2023	300,000	480,000
	<u>\$ 319,636</u>	<u>\$ 541,882</u>

TRIATHLON ONTARIO

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

NATURE OF OPERATIONS

Triathlon Ontario (the "Organization") exists to develop programs in Ontario that support triathletes, promote the sport and encourage safe and fair races. The Organization is incorporated under the laws of the Province of Ontario as a non-profit Organization and as such, is exempt from income tax.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

Significant estimates include the estimated useful life of capital assets.

b) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash held in bank accounts and cashable guaranteed investment certificates that are held for the purpose of meeting short-term cash commitments.

c) **Inventories**

Inventories consisting of clothing and various race accessories are measured at the lower of cost and replacement value with cost being determined using the first-in, first-out method.

d) **Capital Assets**

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets using the straight-line method at the following annual rates:

	<u>Rate</u>
Sporting equipment	3 years
Furniture and equipment	10 years
Computer equipment	3 years

TRIATHLON ONTARIO

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

e) Impairment of Long-lived Assets

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

f) Revenue Recognition

The Organization follows the deferral method of accounting for government and other grants. Externally restricted grants are recognized as revenue in the period in which the related expenses are incurred.

Memberships, athlete development projects, non-membership programs, marketing, sanction, and coaching and official fees are recognized as revenue proportionately over the fiscal year to which they relate and when collection is reasonably assured. Amounts received for future periods are recorded as deferred revenue and recognized as revenue in the period they relate to.

g) Contributed Goods and Services

Contributed goods and services are not recorded in the accounts.

h) Financial Instruments

Measurement of Financial Instruments

The Organization initially measures all of its financial assets and liabilities at fair value and subsequently measures all of its financial assets and liabilities at amortized cost.

Financial instruments measured at amortized cost include cash and cash equivalent. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and the CEBA loan.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in excess of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

TRIATHLON ONTARIO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

2. CAPITAL ASSETS

Capital assets consist of the following:

	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sporting equipment	\$ 14,551	\$ 14,551	\$ -	\$ -
Furniture and equipment	766	77	689	-
Computer equipment	6,288	6,072	216	434
	<u>\$ 21,605</u>	<u>\$ 20,700</u>	<u>\$ 905</u>	<u>\$ 434</u>

3. DEFERRED REVENUES AND GRANTS

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

	Government Grants	Membership	Other	2023	2022
Balance - Beginning	\$ 253,898	\$ 62,514	\$ 27,213	\$ 343,625	\$ 121,880
Amounts received during the year	<u>150,388</u>	<u>273,898</u>	<u>145,845</u>	<u>570,131</u>	<u>721,086</u>
	\$ 404,286	\$ 336,412	\$ 173,058	\$ 913,756	\$ 842,966
Amounts recognized as revenue during the year	<u>404,286</u>	<u>253,263</u>	<u>134,845</u>	<u>792,394</u>	<u>499,341</u>
Balance - Ending	\$ -	\$ 83,149	\$ 38,213	\$ 121,362	\$ 343,625

According to the terms and conditions of the agreements entered into by the Organization, grants received from various sources must be spent on approved programs within specified time frames.

TRIATHLON ONTARIO

NOTES TO FINANCIAL STATEMENTS

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4. CEBA LOAN

In a prior year, the Organization received a \$60,000 Canada Emergency Business Account ("CEBA") loan as part of the federal government's response to the COVID-19 pandemic. The loan is non-interest bearing and is due December 31, 2023. If \$40,000 is repaid by the due date, the remaining \$20,000 will be forgiven. The Organization recognized the \$20,000 forgivable portion as revenue in 2021 and decreased its liability to \$40,000 as it expects to repay this amount by the due date.

5. GOVERNMENT AND OTHER GRANTS

Triathlon Ontario recognized government and other grants as follows:

	2023	2022
Member Community Sports Clubs	\$ 226,210	-
Ontario Amateur Sport Fund	87,369	96,533
Quest for Gold	58,884	3,509
Sport Hosting Agreement	20,000	20,000
Canada Emergency Wage Subsidy	8,101	152,431
Canada Summer Jobs	4,200	-
Student Experience Program	3,689	-
Milton Community Grant	2,535	-
Refund of Club Grant	1,493	-
Canada Emergency Rent Subsidy	805	9,518
Emergency Federal Assistance	-	12,366
Summer Employment Grant	-	2,693
	<u>\$ 413,286</u>	<u>\$ 297,050</u>

TRIATHLON ONTARIO

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

6. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's exposure to and concentrations of risk at March 31, 2023:

a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization is not exposed to significant credit risk.

b) **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 with respect to its accounts payable and accrued liabilities and the CEBA loan. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and price risk. The Organization is not exposed to significant market risk.