TRIATHLON ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2026

INDEX

INDEPENDENT AUDITOR'S REPORT

To the Members of
Triathlon Ontario

Opinion
We have audited the financial statements of Triathlon Ontario which comprise the statement of financial position as at March 31, 2026 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 financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2026 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,		2026		2025
ASSETS				
Current				
Cash and cash equivalents (Note 2)	$	**94,493**	$	191,895
Short-term investments (Note 3)		**100,000**		100,000
Accounts receivable		**16,926**		892
Government remittance receivable		**1,478**		-
Inventories		**19,213**		10,871
Prepaid expenses		**74,061**		59,037
	$	**306,171**	$	362,695
Capital Assets (Note 4)		**6,873**		5,111
	$	**313,044**	$	367,806
LIABILITIES				
Current				
Bank indebtedness (Note 2)	$	**8,562**	$	-
Accounts payable and accrued liabilities		**17,426**		28,425
Government remittance payable		-		1,983
Deferred revenues and grants (Note 5)		**106,621**		112,207
	$	**132,609**	$	142,615
NET ASSETS		**180,435**		225,191
	$	**313,044**	$	367,806

Approved by the Board:

____________________ Director ____________________ Director

See accompanying notes

TRIATHLON ONTARIO

STATEMENT OF EARNINGS AND CHANGES IN NET ASSETS

For the year ended March 31,	2026	2025
REVENUES		
Memberships	$ **313,396**	$ 301,962
Government assistance and other grants (Note 6)	**145,805**	175,874
Athlete assistance and development	**121,523**	134,274
Sanction fees	**29,991**	29,121
Non-membership programs	**23,159**	25,914
Marketing	**11,059**	11,580
Coaching and official fees	**8,053**	8,577
Interest income	**5,177**	12,835
Other	**2,660**	2,745
	$ **660,823**	$ 702,882
EXPENSES		
Salaries and benefits	$ **312,486**	$ 296,456
Athlete assistance and development	**197,851**	221,575
General and administrative	**55,132**	51,669
Coaching and officials	**44,459**	41,063
Membership benefits	**40,479**	21,613
Non-membership programs	**24,408**	20,476
Marketing	**14,931**	16,705
Communication	**12,460**	14,080
Amortization	**3,373**	1,335
	$ **705,579**	$ 684,972
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ **(44,756)**	$ 17,910
NET ASSETS - Beginning	**225,191**	207,281
NET ASSETS - Ending	$ **180,435**	$ 225,191

See accompanying notes

TRIATHLON ONTARIO

STATEMENT OF CASH FLOWS

For the year ended March 31,	2026	2025
CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	$ **(44,756)**	$ 17,910
Items not affecting cash:		
Amortization	**3,373**	1,335
	$ **(41,383)**	$ 19,245
Net change in non-cash working capital balances:		
Accounts receivable	**(16,034)**	(767)
Inventories	**(8,342)**	-
Prepaid expenses	**(15,024)**	(5,748)
Accounts payable and accrued liabilities	**(10,999)**	18,198
Government remittance receivable/payable	**(3,461)**	1,983
Deferred revenue and grants	**(5,586)**	(36,098)
	$ **(100,829)**	$ (3,187)
INVESTING ACTIVITIES		
Purchase of sports equipment	$ **(5,135)**	$ -
DECREASE IN CASH AND CASH EQUIVALENTS	$ **(105,964)**	$ (3,187)
CASH AND CASH EQUIVALENTS - Beginning	**191,895**	195,082
CASH AND CASH EQUIVALENTS - Ending	$ **94,493**	$ 191,895

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See accompanying notes

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 equivalent consists of cash held in a tier 1 Canadian bank 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:

	Rate
Sporting equipment	3 years
Furniture and equipment	10 years
Computer equipment	3 years

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.

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

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 originated or exchanged in arms length transactions at fair value. The organization subsequently measures all its financial assets and financial liabilities at fair value.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, certain cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

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 the 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.

2. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on deposit and a cashable guaranteed investment certificate with a carrying amount of $90,000 (2025 - $155,000 earning interest rates between 1.9% and 3.0% (2025 - 2.4% and 2.5% maturing between April 1, 2026 and December 29, 2026.

At year-end, the Organization had a bank account with an overdrawn balance of $8,562 (2025 - $nil), which is presented as bank indebtedness in a current liabilities.

3. INVESTMENTS

Investments consists of the following:

	2026	2025
Guaranteed investment certificates, bearing interest of 2.7%, maturing April 1, 2026	$ 100,000	$ -
Guaranteed investment certificates, bearing interest of 4.9%, matured April 1, 2025	-	100,000
	$ 100,000	$ 100,000

4. CAPITAL ASSETS

Capital assets consist of the following:

	2026			2025
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sporting equipment	$ 26,777	$ 20,134	$ 6,643	$ 4,728
Furniture and equipment	766	536	230	383
Computer equipment	6,288	6,288	-	-
	$ 33,831	$ 26,958	$ 6,873	$ 5,111

5. 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	2026	2025
Balance - Beginning	$ -	$ 66,420	$ 45,787	$ 112,207	$ 148,305
Amounts received during the year	145,805	313,527	191,288	650,620	659,700
	$ 145,805	$ 379,947	$ 237,075	$ 762,827	$ 808,005
Amounts recognized as revenue during the year	145,805	313,396	201,622	660,823	695,798
Balance - Ending	$ -	$ 66,551	$ 35,453	$ 102,004	$ 112,207

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.

6. GOVERNMENT AND OTHER GRANTS

Triathlon Ontario recognized government and other grants as follows:

	2026	2025
Ontario Amateur Sport Fund	**$ 80,000**	$ 80,000
Quest for Gold	**29,854**	29,988
Coaching Association of Canada	**19,294**	1,500
Milton Community Grant	**8,100**	3,570
Canada Summer Jobs	**4,816**	3,816
Summer Experience Program	**3,741**	-
Sport Hosting Agreement	-	45,000
Project Sport Initiative	-	10,500
Canadian Women in Sport	-	1,500
	$ 145,805	$ 175,874

7. 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, 2026:

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 exposed to credit risk with respect to its cash balance. As at the year end, the Organization had cash on deposit with a financial institution totalling $185,931. The first $100,000 held in each individual financial institution is insured by the CDIC per depositor, per insured category in the event of a member institution's failure. Amounts on deposit by each financial institution in excess of the $100,000 federally insured limit were, therefore, uninsured at the year end. The Organization has not experienced any losses on its cash deposits and believes the risk of loss to be minimal.

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. 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.

8. **COMPARATIVE FIGURES**

Certain of the comparative figures have been restated in order to conform with the presentation adopted in the current year.