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**TRIATHLON ONTARIO**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Members of  
Triathlon Ontario  
MILTON  
Ontario

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Triathlon Ontario, which comprise the statement of financial position as at March 31, 2018 and the statements of earnings and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Triathlon Ontario as at March 31, 2018 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.



NORTON McMULLEN LLP  
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada  
October 30, 2018

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# TRIATHLON ONTARIO

## STATEMENT OF FINANCIAL POSITION

As at March 31,	2018	2017
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 198,724	\$ 171,205
Inventories	4,033	4,314
Prepaid expenses	<u>42,505</u>	<u>32,579</u>
	\$ 245,262	\$ 208,098
<b>Intangible Assets (Note 2)</b>	<u>23,137</u>	<u>-</u>
	<u>\$ 268,399</u>	<u>\$ 208,098</u>

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### LIABILITIES

#### Current

Accounts payable and accrued liabilities	\$ 14,136	\$ 10,393
Deferred revenues and grants (Note 3)	<u>158,698</u>	<u>111,844</u>
	\$ 172,834	\$ 122,237

### NET ASSETS

	<u>95,565</u>	<u>85,861</u>
	<u>\$ 268,399</u>	<u>\$ 208,098</u>

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Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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# TRIATHLON ONTARIO

## STATEMENT OF EARNINGS AND CHANGES IN NET ASSETS

For the year ended March 31,	2018	2017
<b>REVENUES</b>		
Memberships (Note 3)	\$ 273,042	\$ 315,669
Government and other grants (Note 3)	110,418	87,577
Athlete development projects	69,683	51,345
Non-membership programs	41,054	27,580
Sanction fees	21,754	27,112
Coaching and official fees	19,141	17,745
Marketing	8,196	6,363
Other	2,172	3,712
	<u>\$ 545,460</u>	<u>\$ 537,103</u>
<b>EXPENSES</b>		
Salaries and benefits	\$ 246,314	\$ 242,610
Athlete assistance and development	101,119	92,116
General and administrative	47,977	48,387
Membership benefits	32,720	28,935
Coaching and officials	31,262	28,990
Non-membership programs	27,963	10,179
Marketing	22,622	12,601
Communication	22,374	22,374
Amortization	3,305	-
Triathlon Canada affiliation fees	100	12,767
	<u>\$ 535,756</u>	<u>\$ 498,959</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 9,704	\$ 38,144
<b>NET ASSETS - Beginning</b>	<u>85,861</u>	<u>47,717</u>
<b>NET ASSETS - Ending</b>	<u>\$ 95,565</u>	<u>\$ 85,861</u>

See accompanying notes

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# TRIATHLON ONTARIO

## STATEMENT OF CASH FLOWS

For the year ended March 31,

2018

2017

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

#### OPERATING ACTIVITIES

Excess of revenues over expenses	\$ 9,704	\$ 38,144
Items not affecting cash:		
Amortization	<u>3,305</u>	<u>-</u>
	\$ 13,009	\$ 38,144
Net change in non-cash working capital balances:		
Accounts receivable	-	3,934
Inventories	281	(846)
Prepaid expenses	(9,926)	(17,579)
Accounts payable and accrued liabilities	3,743	1,751
Deferred revenue and grants	<u>46,854</u>	<u>(9,396)</u>
	\$ 53,961	\$ 16,008

#### INVESTING ACTIVITIES

Purchase of intangible assets	<u>(26,442)</u>	<u>-</u>
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#### INCREASE IN CASH AND CASH EQUIVALENTS

\$ 27,519 \$ 16,008

#### CASH AND CASH EQUIVALENTS - Beginning

171,205 155,197

#### CASH AND CASH EQUIVALENTS - Ending

\$ 198,724 \$ 171,205

Cash and cash equivalents consist of the following:

Cash in bank balances	\$ 83,496	\$ 35,786
Guaranteed investment certificates ("GIC's") bearing interest at a rate of 0.5% (2017 - 0.5%) maturing between August 2018 and March 2019	<u>115,228</u>	<u>135,419</u>
	<u>\$ 198,724</u>	<u>\$ 171,205</u>

See accompanying notes

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# TRIATHLON ONTARIO

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

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### 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.

b) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash held in bank accounts and short-term GIC's 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) **Intangible Assets**

Intangible assets are amortized on the basis of their estimated useful life using the following rate and method:

	<u>Rate</u>	<u>Method</u>
Website	25%	straight-line

e) **Revenue Recognition**

The Organization follows the deferral method of accounting for 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.

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**TRIATHLON ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2018**

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1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

f) **Contributed Goods and Services**

Contributed goods and services are not recorded in the accounts.

g) **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 equivalents and accounts receivable. Financial liabilities 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 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. **INTANGIBLE ASSETS**

Intangible assets consist of the following:

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Website	\$ 26,442	\$ 3,305	\$ 23,137	\$ -

**TRIATHLON ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2018**

**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:

	<b>Government Grants</b>	<b>Membership</b>	<b>Other</b>	<b>2018</b>	<b>2017</b>
Balance - Beginning	\$ -	\$ 90,830	\$ 21,014	\$ 111,844	\$ 121,240
Amounts received during the year	<u>110,418</u>	<u>292,446</u>	<u>189,450</u>	<u>592,314</u>	<u>527,707</u>
	\$ 110,418	\$ 383,276	\$ 210,464	\$ 704,158	\$ 648,947
Amounts recognized as revenue during the year	<u>110,418</u>	<u>273,042</u>	<u>162,000</u>	<u>545,460</u>	<u>537,103</u>
Balance - Ending	<u>\$ -</u>	<u>\$ 110,234</u>	<u>\$ 48,464</u>	<u>\$ 158,698</u>	<u>\$ 111,844</u>

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.

**4. FINANCIAL STATEMENT PRESENTATION**

Certain figures in the financial statements of the prior year have been restated in order to conform to the presentation adopted in the current year.

**5. 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, 2018:

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.



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5. **FINANCIAL INSTRUMENTS** - Continued

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 rate risk, and equity price risk. The Organization is not exposed to significant market risk.