
TRIATHLON ONTARIO
FINANCIAL STATEMENTS
MARCH 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Triathlon Ontario
MILTON
Ontario

Report on the Financial Statements

We have audited the accompanying financial statements of Triathlon Ontario (the "Organization"), which comprise the statement of financial position as at March 31, 2015 and the statements of funds invested in capital assets, earnings and members' equity 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 Organization'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 Organization'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, 2015 and its financial performance 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
November 27, 2015

TRIATHLON ONTARIO

STATEMENT OF FINANCIAL POSITION

As at March 31, 2015 2014

ASSETS

Current

Cash and cash equivalents	\$ 79,265	\$ 164,734
Accounts receivable	85	9,410
Inventories	6,147	-
Prepaid expenses	<u>39,764</u>	<u>1,881</u>

	\$ 125,261	\$ 176,025
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Equipment (Note 2)

	<u>-</u>	<u>242</u>
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	<u>\$ 125,261</u>	<u>\$ 176,267</u>
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LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 19,734	\$ 7,742
Deferred revenue (Note 3)	<u>83,281</u>	<u>65,995</u>

	<u>\$ 103,015</u>	<u>\$ 73,737</u>
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NET ASSETS

Members' Equity	\$ 22,246	\$ 102,288
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Funds invested in capital assets	<u>-</u>	<u>242</u>
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	<u>\$ 22,246</u>	<u>\$ 102,530</u>
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	<u>\$ 125,261</u>	<u>\$ 176,267</u>
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Approved by the Board:

_____ Director

_____ Director

TRIATHLON ONTARIO
STATEMENT OF FUNDS INVESTED IN CAPITAL ASSETS

For the year ended March 31, 2015 2014

BALANCE - Beginning	\$ 242	\$ 984
Amortization expense	<u>(242)</u>	<u>(742)</u>
BALANCE - Ending	<u>\$ -</u>	<u>\$ 242</u>

TRIATHLON ONTARIO

STATEMENT OF EARNINGS AND MEMBERS' EQUITY

For the year ended March 31,	2015	2014
REVENUES		
Memberships	\$ 303,973	\$ 376,703
Government and other grants	48,932	94,714
Sanction fees	21,699	24,041
Athlete development projects	19,587	9,091
Marketing	19,495	15,159
Other	2,251	7,378
	<u>\$ 415,937</u>	<u>\$ 527,086</u>
EXPENSES		
Salaries and benefits	\$ 221,136	\$ 208,771
General and administrative	58,564	59,960
Athlete assistance and development	54,226	35,072
Coaching and officials	52,659	34,423
Membership	41,119	56,175
Marketing	34,524	26,402
Communication	22,374	22,574
Triathlon Canada affiliation fees	11,377	7,867
	<u>\$ 495,979</u>	<u>\$ 451,244</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (80,042)	\$ 75,842
MEMBERS' EQUITY - Beginning	<u>102,288</u>	<u>26,446</u>
MEMBERS' EQUITY - Ending	<u>\$ 22,246</u>	<u>\$ 102,288</u>

See accompanying notes

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TRIATHLON ONTARIO

STATEMENT OF CASH FLOWS

For the year ended March 31,

2015

2014

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

OPERATING ACTIVITIES

Excess (deficiency) of revenues over expenses	\$ (80,042)	\$ 75,842
Net change in non-cash working capital balances:		
Accounts receivable	9,325	(9,410)
Inventories	(6,147)	-
Prepaid expenses	(37,883)	2,301
Accounts payable and accrued liabilities	11,992	2,172
Deferred revenue	17,286	(26,358)
	<u>\$ (85,469)</u>	<u>\$ 44,547</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (85,469)	\$ 44,547
CASH AND CASH EQUIVALENTS - Beginning	<u>164,734</u>	<u>120,187</u>
CASH AND CASH EQUIVALENTS - Ending	<u><u>\$ 79,265</u></u>	<u><u>\$ 164,734</u></u>

See accompanying notes

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TRIATHLON ONTARIO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

NATURE OF OPERATIONS

The purpose of the Organization is 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 revenue 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.

c) Inventories

Inventories consist of clothing and various race accessories and is measured at the lower of cost and net realizable value. The cost is determined on the first-in, first-out basis.

d) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods:

Computer equipment	3 years straight-line basis
Sports equipment	3 years straight-line basis
Office furniture	5 years straight-line basis

e) Funds Invested in Capital Assets

The funds invested in capital assets account represents the balance provided for the acquisition of capital assets. All amortization of capital assets is charged directly to this account.

TRIATHLON ONTARIO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

f) **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 and sanction fees are recognized in the period to which it relates.

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 equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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 (deficiency) 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. **EQUIPMENT**

Equipment consists of the following:

	2015			2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 5,983	\$ 5,983	\$ -	\$ 242
Sports equipment	8,549	8,549	-	-
Office equipment	5,997	5,997	-	-
	\$ 20,529	\$ 20,529	\$ -	\$ 242

TRIATHLON ONTARIO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

3. DEFERRED REVENUE

Deferred revenue represents unspent externally restricted funds received in the current period that are related to a subsequent period and consist of membership revenues and fees.

4. 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, 2015.

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's main credit risks relate to its accounts receivable. The Organization provides credit to its clients in the normal course of operations. As at March 31, 2015, there were no concentrations of credit risk and an allowance for doubtful accounts of \$1,944 (2014 - \$nil) was netted against the accounts receivable balance. There has been no change in the assessment of credit risk from the prior year.

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 does not have significant exposure to these risks.