
TRIATHLON ONTARIO
FINANCIAL STATEMENTS
MARCH 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Triathlon Ontario
TORONTO,
Ontario.

Report on the Financial Statements

We have audited the accompanying financial statements of Triathlon Ontario (the "Organization"), which comprise the balance sheet as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of funds invested in capital assets, earnings and members' equity and cash flows for the years ended, March 31, 2013 and March 31, 2012 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, 2013, March 31, 2012 and April 1, 2011 and its financial performance and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

NORTON MCMULLEN & CO. LLP,
Chartered Accountants, Licensed Public Accountants

MARKHAM, Canada,
July 15, 2013

TRIATHLON ONTARIO

BALANCE SHEET

As at March 31,

2013

2012

April 1

2011

(unaudited)

ASSETS

Current

Cash	\$ 120,187	\$ 124,501	\$ 105,888
Prepaid expenses	<u>4,182</u>	<u>2,641</u>	<u>15,445</u>
	\$ 124,369	\$ 127,142	\$ 121,333
Equipment (Note 5)	<u>984</u>	<u>2,169</u>	<u>2,414</u>
	<u>\$ 125,353</u>	<u>\$ 129,311</u>	<u>\$ 123,747</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 5,570	\$ 6,279	\$ 3,237
Deferred revenue (Note 6)	<u>92,353</u>	<u>77,968</u>	<u>83,447</u>
	\$ 97,923	\$ 84,247	\$ 86,684

NET ASSETS

Members' Equity	\$ 26,446	\$ 42,895	\$ 34,649
Funds invested in capital assets	<u>984</u>	<u>2,169</u>	<u>2,414</u>
	\$ 27,430	\$ 45,064	\$ 37,063
	<u>\$ 125,353</u>	<u>\$ 129,311</u>	<u>\$ 123,747</u>

Approved by the Board:

Director

Director

TRIATHLON ONTARIO

STATEMENT OF FUNDS INVESTED IN CAPITAL ASSETS

For the year ended March 31,

2013

2012

BALANCE – Beginning	\$ 2,169	\$ 2,414
Transfer from operating fund	-	1,452
Amortization expense	<u>(1,185)</u>	<u>(1,697)</u>
BALANCE – Ending	<u>\$ 984</u>	<u>\$ 2,169</u>

TRIATHLON ONTARIO

STATEMENT OF EARNINGS AND MEMBERS' EQUITY

For the year ended March 31,

2013

2012

REVENUE

Memberships	\$ 234,645	\$ 239,198
Government and other grants	121,418	173,873
Sanction Fees	30,925	33,300
Athlete development project revenue	12,277	6,910
Marketing	10,980	17,954
Other	6,090	8,023
	<u>\$ 416,335</u>	<u>\$ 479,258</u>

EXPENSES

Salaries and benefits	\$ 191,922	\$ 211,022
General and administrative	59,432	69,017
Membership	55,702	79,450
Coaching and officials and OAT booth	51,072	59,429
Marketing	22,523	7,247
Communication	22,374	20,340
Athlete assistance and development	21,774	12,660
Triathlon Canada race fees	7,985	10,395
	<u>\$ 432,784</u>	<u>\$ 469,560</u>

Excess (Deficiency) of revenue over expenses

\$ (16,449)

\$ 9,698

MEMBERS' EQUITY – Beginning

42,895

34,649

Transfer from funds invested in capital assets

-

(1,452)

MEMBERS' EQUITY – Ending

\$ 26,446

\$ 42,895

TRIATHLON ONTARIO
STATEMENT OF CASH FLOWS

For the year ended March 31,

2013

2012

CASH PROVIDED BY (USED IN)

Operating Activities

Excess (Deficiency) of revenue over expenses	\$ (16,449)	\$ 9,698
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Changes in non-cash working capital balances		
Prepaid expenses	(1,541)	12,804
Accounts payable and accrued liabilities	(709)	3,042
Deferred revenue	14,385	(5,479)
	<u>\$ (4,314)</u>	<u>\$ 20,065</u>

Investing Activities

Purchase of capital assets	\$ -	\$ (1,452)
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Increase (decrease) in cash during the year

\$ (4,314) \$ 18,613

CASH – Beginning of year

124,501 105,888

CASH – End of year

\$ 120,187 \$ 124,501

TRIATHLON ONTARIO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

1. PURPOSE AND INCORPORATION

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.

The purpose of the Organization is to develop programs in Ontario that support Triathletes, promote the sport and encourage safe and fair races.

2. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. CHANGE IN BASIS OF ACCOUNTING

These financial statements are the first financial statements for which the Association applied Canadian accounting standards for not-for-profit organizations. First-time adoption of the new basis of accounting had no impact on the Association's net earnings for the year ended March 31, 2012 or on Net assets as at April 1, 2011, the date of transition.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used when accounting for items and matters such as allowance for uncollectible accounts receivable, amortization, asset valuations and contingencies. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

(b) Financial Statements

Revenues and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(c) Inventories

Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first -out basis.

TRIATHLON ONTARIO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

4. SIGNIFICANT ACCOUNTING POLICIES continued

(d) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization based on the estimated useful life of the assets are calculated as follows:

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.

(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. Membership revenue is recognized in the period to which it relates.

(g) Contributed Goods and Services

Contributed goods and services are not recorded in the accounts.

5. EQUIPMENT

Equipment consists of the following:

	2013			2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 5,983	\$ 5,257	\$ 726	\$ 1,396
Sports equipment	8,549	8,549	-	-
Office furniture	<u>5,997</u>	<u>5,739</u>	<u>258</u>	<u>773</u>
	<u>\$ 20,529</u>	<u>\$ 19,545</u>	<u>\$ 984</u>	<u>\$ 2,169</u>

TRIATHLON ONTARIO
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MARCH 31, 2013

6. DEFERRED REVENUE

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

	2013	2012
Membership revenue and fees	\$ 75,778	\$ 52,610
Trillium Foundation	<u>16,575</u>	<u>22,358</u>
	<u>\$ 92,353</u>	<u>\$ 77,968</u>

7. FINANCIAL INSTRUMENTS

(a) **Fair Value**

The carrying value of cash, restricted cash, accounts receivable, and accounts payable and accrued liabilities approximates fair value due to the relatively short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

(b) **Credit Risk**

The Association is exposed to credit risk on its receivables. Management has adopted credit policies in an effort to minimize those risks. The Association does not have significant exposure to any individual party.