

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 "Association"), which comprise the balance sheet as at March 31, 2012 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 generally accepted accounting standards for private enterprises, 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 Association'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 Association'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, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for private enterprises.

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

MARKHAM, Canada,
Date to be advised

TRIATHLON ONTARIO

BALANCE SHEET

As at March 31,

2012

2011

ASSETS

Current

Cash	\$ 124,501	\$ 105,888
Prepaid expenses	<u>2,641</u>	<u>15,445</u>
	\$ 127,142	\$ 121,333

Equipment (Note 3)

	<u>2,169</u>	<u>2,414</u>
	<u>\$ 129,311</u>	<u>\$ 123,747</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 6,279	\$ 3,237
Deferred revenue (Note 4)	<u>77,968</u>	<u>83,447</u>
	<u>\$ 84,247</u>	<u>\$ 86,684</u>

NET ASSETS

Members' Equity	\$ 42,895	\$ 34,649
Funds invested in capital assets	<u>2,169</u>	<u>2,414</u>
	<u>\$ 45,064</u>	<u>\$ 37,063</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,

2012

2011

BALANCE – Beginning	\$ 2,414	\$ 4,439
Transfer from operating fund	1,452	-
Amortization expense	<u>(1,697)</u>	<u>(2,025)</u>
BALANCE – Ending	<u>\$ 2,169</u>	<u>\$ 2,414</u>

TRIATHLON ONTARIO

STATEMENT OF EARNINGS AND MEMBERS' EQUITY

For the year ended March 31,	2012	2011
REVENUE		
Memberships	\$ 239,198	\$ 234,049
Government and other grants	173,873	75,781
Sanction Fees	40,210	37,236
Marketing	17,954	21,102
Other	<u>8,023</u>	<u>4,215</u>
	<u>\$ 479,258</u>	<u>\$ 372,383</u>
EXPENSES		
Salaries and Benefits	\$ 211,022	\$ 142,958
Membership	79,450	74,919
General and Administrative	69,017	38,856
Coaching and Officials and OAT Booth	59,429	50,030
Communication	20,340	18,900
Athlete Assistance and Development	12,660	14,233
Triathlon Canada Race Fees	10,395	6,704
Marketing	<u>7,247</u>	<u>16,343</u>
	<u>\$ 469,560</u>	<u>\$ 362,943</u>
Excess of revenue over expenses	\$ 9,698	\$ 9,440
MEMBERS' EQUITY – Beginning	34,649	25,209
Transfer from funds invested in capital assets	<u>(1,452)</u>	<u>-</u>
MEMBERS' EQUITY – Ending	<u>\$ 42,895</u>	<u>\$ 34,649</u>

TRIATHLON ONTARIO
STATEMENT OF CASH FLOWS

For the year ended March 31, 2012 2011

CASH PROVIDED BY (USED IN)

Operating Activities

Excess of revenue over expenses	\$ 9,698	\$ 9,440
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Changes in non-cash working capital balances		
Accounts receivable	-	1,470
Prepaid expenses	12,804	(12,564)
Accounts payable and accrued liabilities	3,042	57
Deferred revenue	(5,479)	37,772
	<u>\$ 20,065</u>	<u>\$ 36,175</u>

Investing Activities

Purchase of capital assets	\$ (1,452)	\$ -
----------------------------	------------	------

Increase in cash during the year \$ 18,613 \$ 36,175

CASH – Beginning of year 105,888 69,713

CASH – End of year \$ 124,501 \$ 105,888

TRIATHLON ONTARIO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

1. PURPOSE AND INCORPORATION

The Association is incorporated under the laws of the Province of Ontario as a non-profit Association and as such, is exempt from income tax.

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

During the year, the Association, formerly Ontario Association of Triathletes, submitted an Application for Supplementary Letters Patent to change its name to Triathlon Ontario.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

(b) Inventories

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

(c) 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

(d) 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.

(e) Revenue Recognition

The Association 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.

(f) Contributed Goods and Services

Contributed goods and services are not recorded in the accounts.

TRIATHLON ONTARIO
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

3. EQUIPMENT

Equipment consists of the following:

		2012		2011
Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Computer equipment	\$ 5,983	\$ 4,587	\$ 1,396	\$ 1,126
Sports equipment	8,549	8,549	-	-
Office furniture	<u>5,997</u>	<u>5,224</u>	<u>773</u>	<u>1,288</u>
	<u>\$ 20,529</u>	<u>\$ 18,360</u>	<u>\$ 2,169</u>	<u>\$ 2,414</u>

4. DEFERRED REVENUE

Deferred revenue consists of the following:

	2012	2011
Membership revenue and fees	\$ 52,610	\$ 52,600
Trillium Foundation	<u>22,358</u>	<u>30,847</u>
	<u>\$ 77,968</u>	<u>\$ 83,447</u>

5. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency and credit risk arising from its financial instruments. In management's opinion, the carrying amount of the Association's financial instruments approximate fair value unless otherwise noted.

6. CAPITAL MANAGEMENT

In managing capital, the Association focuses on liquid resources available to support its operations and objectives. The Association's objective is to have sufficient liquid resources to continue operating. The need for sufficient liquid resources is considered in the preparation of annual budgets and in the continuous monitoring of activities by the Association. As of March 31, 2012, the Association has met its objective of maintaining sufficient liquid resources to meet its current operating obligations

TRIATHLON ONTARIO
FINANCIAL STATEMENTS
MARCH 31, 2012

INDEX

- Page 1. Independent Auditors' Report**
- 2. Balance Sheet**
- 3. Statement of Funds Invested in Capital Assets**
- 4. Statement of Earnings and Members' Equity**
- 5. Statement of Cash Flows**
- 6-7. Notes to Financial Statements**