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**TRIATHLON ONTARIO**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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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, 2016 and the statements of funds invested in capital assets, earnings and changes in unrestricted 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, 2016 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 20, 2016

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# TRIATHLON ONTARIO

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2016 2015

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### ASSETS

#### Current

Cash and cash equivalents	\$ 155,197	\$ 79,265
Accounts receivable	3,934	85
Inventories	3,468	6,147
Prepaid expenses	<u>15,000</u>	<u>39,764</u>
	<u>\$ 177,599</u>	<u>\$ 125,261</u>

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### LIABILITIES

#### Current

Accounts payable and accrued liabilities	\$ 8,642	\$ 19,734
Deferred revenue	<u>121,240</u>	<u>83,281</u>
	<u>\$ 129,882</u>	<u>\$ 103,015</u>

### NET ASSETS

Unrestricted Net Assets	\$ 47,717	\$ 22,246
Funds Invested in Capital Assets	<u>-</u>	<u>-</u>
	<u>\$ 47,717</u>	<u>\$ 22,246</u>
	<u>\$ 177,599</u>	<u>\$ 125,261</u>

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Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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**TRIATHLON ONTARIO**

**STATEMENT OF FUNDS INVESTED IN CAPITAL ASSETS**

For the year ended March 31,

2016

2015

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

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# TRIATHLON ONTARIO

## STATEMENT OF EARNINGS AND CHANGES IN UNRESTRICTED NET ASSETS

For the year ended March 31,

2016

2015

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### REVENUES

Memberships	\$ 330,268	\$ 303,973
Athlete development projects	57,502	19,587
Government and other grants	56,911	48,932
Marketing	22,770	19,495
Sanction fees	22,332	21,699
Other	3,068	2,251
	<u>\$ 492,851</u>	<u>\$ 415,937</u>

### EXPENSES

Salaries and benefits	\$ 210,416	\$ 221,136
Athlete assistance and development	68,977	54,226
General and administrative	56,341	58,564
Membership	40,733	41,119
Coaching and officials	40,024	52,659
Communication	22,374	22,374
Marketing	18,615	34,524
Triathlon Canada affiliation fees	9,900	11,377
	<u>\$ 467,380</u>	<u>\$ 495,979</u>

### EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES

\$ 25,471 \$ (80,042)

### UNRESTRICTED NET ASSETS - Beginning

22,246 102,288

### UNRESTRICTED NET ASSETS - Ending

\$ 47,717 \$ 22,246

See accompanying notes

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# TRIATHLON ONTARIO

## STATEMENT OF CASH FLOWS

For the year ended March 31,

2016

2015

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

#### OPERATING ACTIVITIES

Excess (deficiency) of revenues over expenses	\$	25,471	\$	(80,042)
Net change in non-cash working capital balances:				
Accounts receivable		(3,849)		9,325
Inventories		2,679		(6,147)
Prepaid expenses		24,764		(37,883)
Accounts payable and accrued liabilities		(11,092)		11,992
Deferred revenue		37,959		17,286
	\$	<u>75,932</u>	\$	<u>(85,469)</u>

**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** \$ **75,932** \$ (85,469)

**CASH AND CASH EQUIVALENTS - Beginning** 79,265 164,734

**CASH AND CASH EQUIVALENTS - Ending** \$ 155,197 \$ 79,265

Cash and cash equivalents consist of the following:

Cash (overdraft) in bank balances	\$	39,871	\$	(5,985)
Guaranteed investment certificates ("GIC's") bearing interest at rates between 0.62% and 1% (2015 - 1.18% to 1.2%) maturing between August 2016 and March 2017		<u>115,326</u>		<u>85,250</u>
	\$	<u>155,197</u>	\$	<u>79,265</u>

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**TRIATHLON ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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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) Capital Assets**

Capital assets are recorded at cost. 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

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**TRIATHLON ONTARIO**  
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1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

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, marketing and sanction 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.

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 (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. **CAPITAL ASSETS**

Capital assets consist of the following:

	<b>2016</b>		<b>2015</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Computer equipment	<u>\$ 4,983</u>	<u>\$ 4,983</u>	<u>\$ -</u>	<u>\$ -</u>



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**3. GOVERNMENT AND OTHER GRANTS**

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 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, 2016:

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, 2016, there were no concentrations of credit risk and an allowance for doubtful accounts of \$nil (2015 - \$1,944) 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.