TRIATHLON ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2017

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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, 2017 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, 2017 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

NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
October 26, 2017

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TRIATHLON ONTARIO

STATEMENT OF FINANCIAL POSITION

As at March 31,		2017		2016
ASSETS				
Current				
Cash and cash equivalents	$	**171,205**	$	155,197
Accounts receivable		-		3,934
Inventories		**4,314**		3,468
Prepaid expenses		**32,579**		15,000
	$	**208,098**	$	177,599
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	**10,393**	$	8,642
Deferred revenue and grants (Note 2)		**111,844**		121,240
	$	**122,237**	$	129,882
NET ASSETS		**85,861**		47,717
	$	**208,098**	$	177,599

Approved by the Board:

_______________________ Director _______________________ Director

See accompanying notes

NORTONMcMULLEN
CHARTERED PROFESSIONAL ACCOUNTANTS + LLP

TRIATHLON ONTARIO

STATEMENT OF EARNINGS AND CHANGES IN NET ASSETS

For the year ended March 31,	2017	2016
REVENUES		
Memberships	$ 343,249	$ 330,268
Government and other grants (Note 2)	87,577	56,911
Athlete development projects	53,627	57,502
Sanction fees	27,111	22,332
Marketing	21,827	22,770
Other	3,712	3,068
	$ 537,103	$ 492,851
EXPENSES		
Salaries and benefits	$ 242,610	$ 210,416
Athlete assistance and development	92,116	68,977
General and administrative	48,387	56,341
Membership	39,114	40,733
Coaching and officials	28,990	40,024
Communication	22,374	22,374
Marketing	12,601	18,615
Triathlon Canada affiliation fees	12,767	9,900
	$ 498,959	$ 467,380
EXCESS OF REVENUES OVER EXPENSES	$ 38,144	$ 25,471
NET ASSETS - Beginning	47,717	22,246
NET ASSETS - Ending	$ 85,861	$ 47,717

See accompanying notes

TRIATHLON ONTARIO

STATEMENT OF CASH FLOWS

For the year ended March 31,		2017		2016
CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Excess of revenues over expenses	$	**38,144**	$	25,471
Net change in non-cash working capital balances:				
Accounts receivable		**3,934**		(3,849)
Inventories		**(846)**		2,679
Prepaid expenses		**(17,579)**		24,764
Accounts payable and accrued liabilities		**1,751**		(11,092)
Deferred revenue		**(9,396)**		37,959
INCREASE IN CASH AND CASH EQUIVALENTS	$	**16,008**	$	75,932
CASH AND CASH EQUIVALENTS - Beginning		**155,197**		79,265
CASH AND CASH EQUIVALENTS - Ending	$	**171,205**	$	155,197

Cash and cash equivalents consist of the following:				
Cash in bank balances	$	**35,786**	$	39,871
Guaranteed investment certificates ("GIC's") bearing interest at a rate of 0.5% (2016 - 0.62% to 1%) maturing between August 2017 and March 2018		**135,419**		115,326
	$	**171,205**	$	155,197

See accompanying notes

NORTON McMULLEN
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

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 and consists of computer equipment. Amortization is being provided on the straight-line basis over the estimated useful life of the assets of three years. As at the year-end, capital assets have been fully amortized.

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.

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. **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:

	Government Grants	Membership	Other	2017	2016
Balance - Beginning	$ -	$ 104,885	$ 16,355	$ 121,240	$ 83,281
Amounts received during the year	87,577	337,705	102,425	527,707	530,810
	$ 87,577	$ 442,590	$ 118,780	$ 648,947	$ 614,091
as revenue during the year	87,577	343,249	106,277	537,103	492,851
Balance - Ending	$ -	$ 99,341	$ 12,503	$ 111,844	$ 121,240

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.

3. **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, 2017:

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.

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.