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**TRIATHLON ONTARIO**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Triathlon Ontario  
MILTON  
Ontario

### *Opinion*

We have audited the accompanying financial statements of Triathlon Ontario which comprise the statement of financial position as at March 31, 2024 and the statement of earnings and changes in net assets, and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2024 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.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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PAUL A. SIMPSON, CPA  
PAUL W. McMULLEN, CPA  
MARK D. POTTER, CPA

MICHAEL J. McNEILL, CPA  
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MARC F. CERNELE, CPA

ANTHONY G. DILIBERTO, CPA  
JENNIFER A. STALEY, CPA

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Norton McMullen LLP*

NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

September 27, 2024

# TRIATHLON ONTARIO

## STATEMENT OF FINANCIAL POSITION

As at March 31,	2024	2023
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 295,082	\$ 319,636
Accounts receivable	125	-
Inventories	10,871	13,038
Prepaid expenses	53,289	42,972
	<u>\$ 359,367</u>	<u>\$ 375,646</u>
<b>Capital Assets (Note 2)</b>	<u>6,446</u>	<u>905</u>
	<u>\$ 365,813</u>	<u>\$ 376,551</u>

### LIABILITIES

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 10,227	\$ 16,000
Deferred revenues and grants (Note 3)	148,305	121,362
Current portion of CEBA loan payable (Note 4)	-	40,000
	<u>\$ 158,532</u>	<u>\$ 177,362</u>

<b>NET ASSETS</b>	<u>207,281</u>	<u>199,189</u>
	<u>\$ 365,813</u>	<u>\$ 376,551</u>

Approved by the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

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# TRIATHLON ONTARIO

## STATEMENT OF EARNINGS AND CHANGES IN NET ASSETS

For the year ended March 31,	2024	2023
<b>REVENUES</b> (Note 3)		
Memberships	\$ 240,508	\$ 223,237
Government assistance and other grants (Note 4)	183,467	413,286
Athlete assistance and development	127,011	91,658
Sanction fees	23,556	19,481
Coaching and official fees	17,450	16,683
Non-membership programs	17,382	23,999
Interest income (Note 5)	10,740	4,679
Marketing	9,318	6,011
Other	4,357	2,361
	<u>\$ 633,789</u>	<u>\$ 801,395</u>
<b>EXPENSES</b>		
Salaries and benefits	\$ 290,608	\$ 278,125
Athlete assistance and development	158,141	170,555
Membership benefits	58,669	224,052
General and administrative	48,715	45,218
Coaching and officials	22,919	24,838
Marketing	16,938	24,247
Communication	14,080	13,037
Non-membership programs	14,077	17,020
Amortization of capital assets	1,550	295
Triathlon Canada affiliation fees	-	100
	<u>\$ 625,697</u>	<u>\$ 797,487</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 8,092	\$ 3,908
<b>NET ASSETS</b> - Beginning	<u>199,189</u>	<u>195,281</u>
<b>NET ASSETS</b> - Ending	<u>\$ 207,281</u>	<u>\$ 199,189</u>

See accompanying notes

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# TRIATHLON ONTARIO

## STATEMENT OF CASH FLOWS

For the year ended March 31,

2024

2023

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

#### OPERATING ACTIVITIES

Excess of revenues over expenses	\$ 8,092	\$ 3,908
Items not affecting cash:		
Amortization of capital assets	<u>1,550</u>	<u>295</u>
	\$ 9,642	\$ 4,203
Net change in non-cash working capital balances:		
Accounts receivable	(125)	-
Inventories	2,167	(424)
Prepaid expenses	(10,317)	1,087
Accounts payable and accrued liabilities	(5,773)	(4,083)
Deferred revenue and grants	<u>26,943</u>	<u>(222,263)</u>
	\$ 22,537	\$ (221,480)

#### INVESTING ACTIVITIES

Repayment of CEBA loan	\$ (40,000)	\$ -
Purchase of Furniture and equipment	<u>(7,091)</u>	<u>(766)</u>
	\$ (47,091)	\$ (766)

#### DECREASE IN CASH AND CASH EQUIVALENTS

\$ (24,554) \$ (222,246)

#### CASH AND CASH EQUIVALENTS - Beginning

319,636 541,882

#### CASH AND CASH EQUIVALENTS - Ending

\$ 295,082 \$ 319,636

#### Cash and cash equivalents consist of the following:

Cash in bank balances	\$ 295,082	\$ 19,636
Guaranteed investment certificates bearing interest at rates from 0% (2023 - 1% - 4.75%)	<u>-</u>	<u>300,000</u>
	<u>\$ 295,082</u>	<u>\$ 319,636</u>

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# TRIATHLON ONTARIO

## NOTES TO FINANCIAL STATEMENTS

### MARCH 31, 2024

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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.

Significant estimates include the estimated useful life of capital assets.

b) **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash held in bank accounts and cashable guaranteed investment certificates 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 straight-line method at the following annual rates:

	<u>Rate</u>
Sporting equipment	3 years
Furniture and equipment	10 years
Computer equipment	3 years

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**TRIATHLON ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

e) **Impairment of Long-lived Assets**

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

f) **Revenue Recognition**

The Organization follows the deferral method of accounting for government and other grants. Externally restricted grants are recognized as revenue in the period in which the related expenses are incurred.

Memberships, athlete development projects, non-membership programs, marketing, sanction, and coaching and official 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.

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 equivalent. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and the CEBA loan.

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.



**TRIATHLON ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**2. CAPITAL ASSETS**

Capital assets consist of the following:

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sporting equipment	\$ 21,642	\$ 15,733	\$ 5,909	\$ -
Furniture and equipment	766	230	536	689
Computer equipment	6,288	6,287	1	216
	<u>\$ 28,696</u>	<u>\$ 22,250</u>	<u>\$ 6,446</u>	<u>\$ 905</u>

**3. 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	2024	2023
Balance - Beginning	\$ -	\$ 83,149	\$ 38,213	\$ 121,362	\$ 343,626
Amounts received during the year	<u>183,467</u>	<u>252,252</u>	<u>225,013</u>	<u>660,732</u>	<u>570,131</u>
	\$ 183,467	\$ 335,401	\$ 263,226	\$ 782,094	\$ 913,757
Amounts recognized as revenue during the year	<u>183,467</u>	<u>240,508</u>	<u>209,814</u>	<u>633,789</u>	<u>792,395</u>
Balance - Ending	<u>\$ -</u>	<u>\$ 94,893</u>	<u>\$ 53,412</u>	<u>\$ 148,305</u>	<u>\$ 121,362</u>

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.

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**TRIATHLON ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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**4. GOVERNMENT AND OTHER GRANTS**

Triathlon Ontario recognized government and other grants as follows:

	<b>2024</b>	<b>2023</b>
Ontario Amateur Sport Fund	\$ <b>87,369</b>	\$ 87,369
Sport Hosting Agreement	<b>40,000</b>	20,000
Quest for Gold	<b>31,196</b>	58,884
Project Sport Initiative	<b>10,000</b>	-
Canada Summer Jobs	<b>4,340</b>	4,200
Student Experience Program	<b>3,812</b>	3,689
Milton Community Grant	<b>3,250</b>	2,535
Equity, Diversity & Inclusion	<b>2,500</b>	-
Gender Equity Playbook	<b>1,000</b>	-
Member Community Sports Clubs	-	226,210
Canada Emergency Wage Subsidy	-	8,101
Refund of Club Grant	-	1,493
Canada Emergency Rent Subsidy	-	805
	<u><b>\$ 183,467</b></u>	<u>\$ 413,286</u>

**5. INTEREST INCOME**

The Organization during the year held Prime Linked GICs paying 4.75% interest that matured on March 31, 2024.

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**TRIATHLON ONTARIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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**6. 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, 2024:

**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 and the CEBA loan. 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 risk, and price risk. The Organization is not exposed to significant market risk.