

ALBERTA TRIATHLON ASSOCIATION
(o/a Triathlon Alberta)
Financial Statements
For The Nine Month Period Ended December 31, 2022

Draft

Prepared by	Reviewed by	Reviewed by
JLJ 3/22/23		PJD 4/26/23

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of Alberta Triathlon Association (o/a Triathlon Alberta)

We have reviewed the accompanying financial statements of Alberta Triathlon Association (o/a Triathlon Alberta) that comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the nine month period 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Alberta Triathlon Association as at December 31, 2022, and the results of its operations and its cash flows for the nine month period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
May 10, 2023

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ALBERTA TRIATHLON ASSOCIATION*(o/a Triathlon Alberta)***Statement of Financial Position****As at December 31, 2022**

	<i>December 31 2022</i>	<i>March 31 2022</i>
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 2)</i>	\$ 358,696	\$ 363,151
Accounts receivable	4,715	27,542
	363,411	390,693
INVESTMENTS <i>(Note 3)</i>	33,839	10,737
TANGIBLE CAPITAL ASSETS <i>(Note 4)</i>	4,900	3,816
	\$ 402,150	\$ 405,246
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities <i>(Note 5)</i>	\$ 40,529	\$ 55,640
Deferred membership fees	9,408	32,046
Deferred contributions <i>(Note 6)</i>	53,797	43,478
	103,734	131,164
LONG TERM DEBT <i>(Note 7)</i>	40,000	40,000
	143,734	171,164
NET ASSETS		
Unrestricted net assets	253,516	230,266
Investment in tangible capital assets	4,900	3,816
	258,416	234,082
	\$ 402,150	\$ 405,246

ON BEHALF OF THE BOARD_____ *Director*_____ *Director*

Printed: May 09, 2023 10:03 AM

Prep _____ Added _____ Approved _____

ALBERTA TRIATHLON ASSOCIATION*(o/a Triathlon Alberta)***Statement of Operations****For The Nine Month Period Ended December 31, 2022**

	<i>December 31 2022 (9 months)</i>	<i>March 31 2022 (12 months)</i>
REVENUE		
Membership fees	\$ 87,528	\$ 83,860
Grants (Note 6)	72,343	115,256
Casino (Note 6)	51,144	17,032
Coaching	14,940	5,966
Race fees	12,280	11,171
Athlete development	8,867	7,474
Insurance	6,803	5,425
Fundraising	1,385	2,833
Interest	267	127
Merchandise	113	-
	<u>255,670</u>	<u>249,144</u>
EXPENSES		
Salaries, wages and benefits	113,447	129,152
Coaching	25,150	6,637
Race and technical	22,859	29,143
Athlete development	22,743	8,759
Professional fees	14,847	17,871
Office	12,037	13,174
Insurance	10,471	13,427
Telephone and internet	3,091	5,059
Meetings	2,096	7,537
Committees	1,928	2,863
Amortization of tangible assets	1,105	994
Advertising and promotion	792	69
Bank charges	581	995
Membership fees	525	355
Casino	-	2,351
	<u>231,672</u>	<u>238,386</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	23,998	10,758
OTHER INCOME		
Dividend income	336	-
EXCESS OF REVENUE OVER EXPENSES	\$ 24,334	\$ 10,758

ALBERTA TRIATHLON ASSOCIATION*(o/a Triathlon Alberta)***Statement of Changes in Net Assets****For The Nine Month Period Ended December 31, 2022**

	Unrestricted Net Assets	Investment in Tangible Capital Assets	<i>December 31 2022 (9 months)</i>	<i>March 31 2022 (12 months)</i>
NET ASSETS - BEGINNING OF PERIOD	\$ 230,266	\$ 3,816	\$ 234,082	\$ 223,324
Excess of revenue over expenses	24,334	-	24,334	10,758
Purchase of tangible capital assets	(2,189)	2,189	-	-
Amortization of tangible capital assets	1,105	(1,105)	-	-
NET ASSETS - END OF PERIOD	\$ 253,516	\$ 4,900	\$ 258,416	\$ 234,082

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ALBERTA TRIATHLON ASSOCIATION*(o/a Triathlon Alberta)***Statement of Cash Flows****For The Nine Month Period Ended December 31, 2022**

	<i>December 31 2022 (9 months)</i>	<i>March 31 2022 (12 months)</i>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 24,334	\$ 10,758
Item not affecting cash:		
Amortization	<u>1,105</u>	994
	<u>25,439</u>	<u>11,752</u>
Changes in non-cash working capital:		
Accounts receivable	22,827	(19,200)
Accounts payable and accrued liabilities	(15,109)	21,845
Deferred contributions	10,317	(20,689)
Prepaid expenses	-	6,392
Deferred membership fees	<u>(22,638)</u>	<u>(9,783)</u>
	<u>(4,603)</u>	<u>(21,435)</u>
Cash flows from (used by) operating activities	<u>20,836</u>	<u>(9,683)</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,189)	(2,147)
Purchase of investments	<u>(23,102)</u>	<u>(127)</u>
Cash flows used by investing activities	<u>(25,291)</u>	<u>(2,274)</u>
DECREASE IN CASH FLOWS	(4,455)	(11,957)
Cash and cash equivalents - beginning of period	<u>363,151</u>	<u>375,108</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 358,696	\$ 363,151

ALBERTA TRIATHLON ASSOCIATION

(o/a Triathlon Alberta)

Notes to Financial Statements

For the Nine Month Period Ended December 31, 2022

PURPOSE OF THE ASSOCIATION

Alberta Triathlon Association (o/a Triathlon Alberta) (the "Association") was incorporated on February 22, 1984 under the *Alberta Societies Act*. The Association is considered a not-for-profit organization and is not taxed as it relates to the *Income Tax Act*.

The Association represents the triathletes of Alberta to the Triathlon Canada organization and works to increase general interest in triathlon and cultural exchange within the country and internationally through events and instructional clinics. The Association was established to provide technical, financial and organizational leadership for clubs, coaching staff and all levels of individual triathletes within Alberta.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalents are comprised of items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

Cash and cash equivalents consists of operating and casino bank accounts.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Computer equipment	50%	declining balance method
Computer software	100%	declining balance method

The Association regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Contributed services

Volunteers contribute a significant amount of time each year to the Association. Contributed services are not reflected in these financial statements as determining their fair value is not practical.

(continues)

ALBERTA TRIATHLON ASSOCIATION

(o/a *Triathlon Alberta*)

Notes to Financial Statements

For the Nine Month Period Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

Membership fees are recognized in the period to which they relate. Race fees are recognized in the period in which the events take place.

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for the purchase of capital assets are recognized as revenue on the same basis as the amortization expense related to the acquired costs.

Financial instruments

Preferred shares that would otherwise be classified as liabilities, are classified as equity when issued as part of certain tax planning arrangements.

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, investments, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association has mutual funds measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management's estimates include the useful lives of tangible capital and the corresponding rates of amortization and the amount of accrued liabilities. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

ALBERTA TRIATHLON ASSOCIATION*(o/a Triathlon Alberta)***Notes to Financial Statements****For the Nine Month Period Ended December 31, 2022****2. CASH AND CASH EQUIVALENTS**

	<i>December 31</i> 2022	<i>March 31</i> 2022
Operating bank accounts	\$ 307,899	\$ 341,141
Casino bank account (Note 7)	50,797	22,010
	\$ 358,696	\$ 363,151

3. INVESTMENTS

	<i>December 31</i> 2022	<i>March 31</i> 2022
Mutual funds	\$ 23,102	\$ -
Guaranteed Investment Certificate	10,737	10,737
	\$ 33,839	\$ 10,737

The cost of mutual funds as at December 31, 2022 is \$22,836 (2021 - \$NIL).

The Guaranteed Investment Certificate bears interest at 1.20% per annum and matures May 2023.

4. TANGIBLE CAPITAL ASSETS

	<i>December 31</i> 2022	<i>March 31</i> 2022		
	Net book value	Net book value		
	Cost	Accumulated amortization		
Equipment	\$ 2,772	\$ 866	\$ 1,906	\$ 2,383
Furniture and fixtures	9,589	6,801	2,788	1,023
Computer equipment	22,890	22,684	206	410
Computer software	7,543	7,543	-	-
	\$ 42,794	\$ 37,894	\$ 4,900	\$ 3,816

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government payroll remittances of \$32,395 (March 31, 2022 - \$38,667).

ALBERTA TRIATHLON ASSOCIATION*(o/a Triathlon Alberta)***Notes to Financial Statements****For the Nine Month Period Ended December 31, 2022****6. DEFERRED CONTRIBUTIONS**

	<i>December 31 2022 (9 months)</i>	<i>March 31 2022 (12 months)</i>
Balance, beginning of year	\$ 43,478	\$ 64,167
Add funds received:		
Casino	74,176	2,351
Grants	65,970	109,248
	<u>183,624</u>	<u>175,766</u>
Less amounts recognized as revenue:		
Grants from Government of Alberta:		
Association Development Operating Funding	(28,694)	(57,388)
Canada Summer Games	(12,500)	(14,000)
Other grants	-	(3,168)
Coaches and official initiative	-	(1,500)
Canadian Tire Jumpstart Sport Relief Grant	-	(20,000)
Casino funds	(51,143)	(17,032)
Community Investment Grant	(16,500)	(19,200)
Canada Summer Jobs	(10,776)	-
Kidsport Return to Play	(7,000)	-
Para-triathlon Development Fund	(3,214)	-
	<u>(129,827)</u>	<u>(132,288)</u>
Balance, end of year	<u>\$ 53,797</u>	<u>\$ 43,478</u>
Balance, end of year is comprised of:		
Casino funds	\$ 50,797	\$ 27,764
Grants	3,000	15,714
	<u>\$ 53,797</u>	<u>\$ 43,478</u>

ALBERTA TRIATHLON ASSOCIATION*(o/a Triathlon Alberta)***Notes to Financial Statements****For the Nine Month Period Ended December 31, 2022**

7. LONG TERM DEBT

	<i>December 31</i> 2022	<i>March 31</i> 2022
Canada Emergency Business Account (CEBA) loan	\$ 40,000	\$ 40,000
Amounts payable within one year	-	-
	\$ 40,000	\$ 40,000

In 2021, ATA obtained a \$60,000 CEBA loan available to certain organizations experiencing temporary revenue reductions. The federal government program requires that the Association only use the proceeds of the loan to cover non-deferrable operating costs. The loan is non-interest-bearing, requiring no minimum monthly payments until December 31, 2023. If at least \$40,000 of the loan is repaid before December 31, 2023, the remaining balance, up to \$20,000, will be forgiven. As of December 31, 2022, \$40,000 of the loan is reported as long-term debt payable. If the loan is not repaid in full on or before December 31, 2023, the full \$60,000 amount will be converted to a term loan, bearing interest at 5% per annum.

8. CREDIT FACILITY

	<i>December 31</i> 2022	<i>March 31</i> 2022
Canadian Western Bank VISA Business Card	\$ 10,000	\$ 10,000

The above credit facility is secured by \$10,737 (March 31, 2022 - \$10,737) of investments (*Note 3*), which have been restricted in favour of the financial institutions that issued the credit facilities.

As at December 31, 2022 the VISA Business Card had a balance of \$123 (March 31, 2022 - \$4,200). The remaining credit facilities were not drawn upon as at December 31, 2022 or March 31, 2022.

ALBERTA TRIATHLON ASSOCIATION

(o/a Triathlon Alberta)

Notes to Financial Statements

For the Nine Month Period Ended December 31, 2022

9. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its members, Government of Alberta and other related sources and accounts payable and accrued liabilities.

10. COMPARATIVE FIGURES

Effective April 1, 2022, the Association changed its fiscal year-end from March 31 to December 31, resulting in a short (nine month) fiscal period.
