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# TRIATHLON BRITISH COLUMBIA

December 31, 2020

F I N A N C I A L   S T A T E M E N T S



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- Statement of Changes in Fund Balances
- Statement of Cash Flows
- Notes to the Financial Statements

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## *Independent Practitioner's Review Engagement Report*

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To the Members of:

**TRIATHLON BRITISH COLUMBIA**

We have reviewed the accompanying financial statements of **Triathlon British Columbia** that comprise the Statement of Financial Position as at December 31, 2020, and the Statements of Operations, Changes in Fund Balances 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.

### **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 **Triathlon British Columbia** as at December 31, 2020, 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.

*WDM*

*Chartered Professional Accountants*

February 17, 2021  
Vancouver, B.C.

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**WDM**

# TRIATHLON BRITISH COLUMBIA

## Statement of Financial Position

As at December 31, 2020

	Note	General Fund	Reserve Fund	Capital Asset Fund	December 31, 2020	December 31, 2019
		\$	\$	\$	\$	\$
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash and term deposits	3	702,408	46,482	-	748,890	628,065
Accounts receivable		379	-	-	379	23,859
Interest receivable		2,488	-	-	2,488	3,587
GST receivable		2,408	-	-	2,408	4,926
Government subsidy receivable	12	6,770	-	-	6,770	-
Inventory		2,513	-	-	2,513	3,432
Prepaid expenses		7,257	-	-	7,257	6,044
		724,223	46,482	-	770,705	669,913
Property and equipment	4	-	-	4,513	4,513	5,243
<b>TOTAL ASSETS</b>		<b>724,223</b>	<b>46,482</b>	<b>4,513</b>	<b>775,218</b>	<b>675,156</b>
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities		14,670	-	-	14,670	25,941
Deferred revenue	5	72,944	-	-	72,944	27,104
		87,614	-	-	87,614	53,045
<b>FUND BALANCES</b>						
Invested in capital assets	4	-	-	4,513	4,513	5,243
Internally restricted	10	-	46,482	-	46,482	46,482
Unrestricted		636,609	-	-	636,609	570,386
		636,609	46,482	4,513	687,604	622,111
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>724,223</b>	<b>46,482</b>	<b>4,513</b>	<b>775,218</b>	<b>675,156</b>

Approved on behalf of the Board of Directors:

“Allan Prazsky”  
Allan Prazsky, Executive Director

“Faith Wells”  
Faith Wells, Treasurer



# TRIATHLON BRITISH COLUMBIA

## Statement of Operations

For the Year Ended December 31, 2020

	Note	General Fund \$	Reserve Fund \$	Capital Asset Fund \$	December 31, 2020 \$	December 31, 2019 \$
<b>REVENUE</b>						
General fund	6	309,299	-	-	309,299	536,044
<b>EXPENSES</b>						
Administration	7	215,199	-	-	215,199	243,857
Amortization	4	-	-	2,290	2,290	1,414
Athlete development	8	69,292	-	-	69,292	133,737
Membership services	9	23,992	-	-	23,992	54,001
		308,483	-	2,290	310,773	433,009
<b>OTHER ITEM</b>						
Government subsidy income	12	66,967	-	-	66,967	-
<b>NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>						
		67,783	-	(2,290)	65,493	103,035



# TRIATHLON BRITISH COLUMBIA

## Statement of Changes in Fund Balances

For the Year Ended December 31, 2020

	General Fund \$	Reserve Fund \$	Capital Asset Fund \$	December 31, 2020 \$	December 31, 2019 \$
<b>FUND BALANCES, BEGINNING OF THE YEAR</b>	570,386	46,482	5,243	622,111	519,076
Inter-Fund Transfers	(1,560)	-	1,560	-	-
Excess (Deficiency) of Revenue over Expenditures	67,783	-	(2,290)	65,493	103,035
<b>FUND BALANCES, END OF THE YEAR</b>	<b>636,609</b>	<b>46,482</b>	<b>4,513</b>	<b>687,604</b>	<b>622,111</b>



# TRIATHLON BRITISH COLUMBIA

## Statement of Cash Flows

For the Year Ended December 31, 2020

	December 31, 2020 \$	December 31, 2019 \$
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING ACTIVITIES</b>		
Net excess of revenue over expenditures	65,493	103,035
Item not affecting cash:		
Amortization	2,290	1,414
	<u>67,783</u>	<u>104,449</u>
Changes in non-cash working capital items:		
Accounts receivable	23,480	(5,977)
Interest receivable	1,099	(1,557)
GST receivable	2,518	(1,909)
Government subsidy receivable	(6,770)	-
Inventory	919	299
Prepaid expenses	(1,213)	14,692
Property and equipment	(1,560)	(5,901)
Accounts payable and accrued liabilities	(11,271)	12,407
Deferred revenue	45,840	9,276
	<u>120,825</u>	<u>125,779</u>
<b>INCREASE IN CASH FROM OPERATING ACTIVITIES</b>	120,825	125,779
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>628,065</u>	<u>502,286</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<u>748,890</u>	<u>628,065</u>



# TRIATHLON BRITISH COLUMBIA

## Notes to the Financial Statements

For the Year Ended December 31, 2020

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### NOTE 1 - ORGANIZATION

Triathlon British Columbia (the “Association”) is a non-profit organization incorporated under the Society Act (British Columbia) and is engaged in promoting and organizing triathlons, duathlons and related multi-sport events in the Province of British Columbia.

The Association is exempt from income taxation under Section 149(1)(l) of the Income Tax Act as long as certain criteria continue to be met.

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### Fund Accounting

The Association follows the restricted fund method of accounting for contributions.

The general fund accounts for the Association’s program delivery and administrative activities.

The reserve fund accounts for funds available only upon board approval.

The capital asset fund accounts for the assets, liabilities, revenues and expenses related to the Association’s capital assets.

#### Cash and Cash Equivalents

Term deposits are highly liquid and are considered cash equivalents.

#### Inventory

Inventory consists of clothing and various race accessories and is measured at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

#### Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided over the estimated useful life of each equipment using the declining balance method at the following rates:

Computer equipment	40%
Software	30%
Equipment	30%
Office equipment	20%

#### Deferred Revenue

Revenue relating to events occurring after year end is recorded as deferred revenue. Deferred revenue is included in revenue when such events occur. Due to COVID many of 2019 deferred Revenue has been deferred to 2021.

#### Revenue Recognition

The Association follows the deferral method of accounting for sponsorship and other contribution revenues. Sponsorship includes cash and services in-kind provided without charge to the Association. Cash contributions are recognized when receivable if the amount to be received can be estimated and collection is reasonably assured. Service in-kind sponsorship is recognized when the services are provided and are recognized at the fair value of those services. An equivalent amount is recognized as expenditures.

#### Donated Goods and Services

The Association and its members benefit from donated services in the form of volunteer time for various events. The value of donated services is recognized in these financial statements.



# TRIATHLON BRITISH COLUMBIA

## Notes to the Financial Statements

For the Year Ended December 31, 2020

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Government Assistance

Government assistance are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Association will comply with all the attached conditions. Government grants are recorded as a reduction of the related expense in the same period as the expenses for which the grant is intended to compensate.

#### Financial Instrument Measurement

The Association initially measured its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and cash equivalents, accounts receivable, and interest receivable. The financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities.

### NOTE 3 - CASH AND TERM DEPOSITS

Cash and term deposits are as follows:

	December 31, 2020	December 31, 2019
	\$	\$
Cash at bank	145,522	293,608
Term deposits	603,368	334,457
	<u>748,890</u>	<u>628,065</u>

#### Restricted Cash

Included in cash is \$1,032 (2019 - \$1,032) held in a gaming fund bank account. The use of these funds is restricted to those permitted by the British Columbia Gaming Commission.

### NOTE 4 – PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value December 31, 2020	December 31, 2019
	\$	\$	\$	\$
Computer Equipment	13,206	10,233	2,973	4,953
Software	1,560	234	1,326	-
Equipment	3,697	3,673	24	35
Office Equipment	3,228	3,038	190	255
	<u>21,691</u>	<u>17,178</u>	<u>4,513</u>	<u>5,243</u>

### NOTE 5 - DEFERRED REVENUE

	December 31, 2020	December 31, 2019
	\$	\$
Membership fees	11,498	16,899
Events	61,446	10,205
	<u>72,944</u>	<u>27,104</u>

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# TRIATHLON BRITISH COLUMBIA

## Notes to the Financial Statements

For the Year Ended December 31, 2020

### NOTE 6 - REVENUE

	December 31, 2020 \$	December 31, 2019 \$
Events	4,152	47,797
Grants	217,240	185,899
Membership fees	68,152	244,082
Sponsorship	14,256	52,150
Fundraising	-	1,270
Interest	5,612	4,854
Advertising	150	-
Clothing (net of cost of sales)	(263)	(8)
	<u>309,299</u>	<u>536,044</u>

### NOTE 7 - ADMINISTRATION

Professional fees	8,500	9,000
Advertising	453	1,041
Board and Annual General meetings	815	3,269
Office	12,345	16,006
Rent	19,232	18,343
Travel	129	145
Salaries and contractors	166,668	182,687
Sponsorship	747	2,278
Bank charges	432	251
Professional development	-	803
Sport development	2,848	8,034
Bad debts	3,030	2,000
	<u>215,199</u>	<u>243,857</u>

### NOTE 8 - ATHLETE DEVELOPMENT

Event expenses	3,105	26,970
Grants used	64,662	104,776
Office and communication	1,525	1,991
	<u>69,292</u>	<u>133,737</u>

### NOTE 9 - MEMBERSHIP SERVICES

Affiliations	1,350	2,720
Insurance	15,559	16,058
Newsletter	7,099	7,106
Officiating	(113)	12,458
TriCanada World Championships	-	6,000
Office and communication	97	9,659
	<u>23,992</u>	<u>54,001</u>

UNAUDITED



# TRIATHLON BRITISH COLUMBIA

## Notes to the Financial Statements

For the Year Ended December 31, 2020

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### NOTE 10 - RESERVE FUNDS

#### **Marc Duncan Bursary Fund and Mary Leliveld Memorial Bursary Fund**

The Board of Directors has placed internal restrictions on the use of these funds. The Marc Duncan Bursary Fund, with a total fund balance of \$8,988 at December 31, 2020 (2019 - \$8,988), is to be used to support the development of promising junior athletes with limited financial resources. The Mary Leliveld Memorial Fund, with a total fund balance of \$7,494 at December 31, 2020 (2019 - \$7,494) is to be used to aid age group athletes. The funds cannot be used for other purposes without approval of the Board of Directors.

#### **Legal Contingency Fund**

The Board of Directors has placed internal restrictions on the use of this fund. The legal contingency fund is to be used for any unforeseen litigation in the future. The total fund balance is \$30,000 at December 31, 2020 (2019 - \$30,000). The funds cannot be used for other purposes without approval of the Board of Directors.

### NOTE 11 - FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, term deposits, receivables, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value.

### NOTE 12 – GOVERNMENT SUBSIDIES

#### **Canada Emergency Wage Subsidy**

In April 2020, the Government of Canada passed the Canada Emergency Wage Subsidy ("CEWS") to support employers facing financial hardship as measured by certain revenue declines as a result of the COVID-19 pandemic.

The Association met the employer eligibility criteria and during the year ended December 31, 2020, the Association recognized a recovery compensation costs of \$57,853. As at December 31, 2020, an amount of \$5,097 was recognized as receivable related to CEWS.

There are no unfulfilled conditions or other contingencies attaching to the current CEWS program.

#### **Canada Emergency Commercial Rent Assistance and Canada Emergency Commercial Rent Subsidy**

The Government of Canada also passed Canada Emergency Commercial Rent Assistance ("CECRA") and Canada Emergency Commercial Rent Subsidy ("CERS") to support businesses, non-profit organizations, or charities who experienced certain drop in revenue due to COVID-19 pandemic to cover part of their commercial rent or property expenses.

The Association met the eligibility criteria for both programs and during the year ended December 31, 2020, the Association recognized a recovery rental expense of \$9,114. As at December 31, 2020, an amount of \$1,673 was recognized as receivable related to CERS.

There are no unfulfilled conditions or other contingencies attaching to the current CERS program.

The Government of Canada announced extension to both CEWS and CERS program until June 2021. The Association intends to continue its participation, subject to meeting the eligibility requirements.

