

S E R V I C E

I N T E G R I T Y

T R U S T



TRIATHLON BRITISH COLUMBIA

December 31, 2021

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



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- Notes to the Financial Statements

UNAUDITED

WD&M

Independent Practitioner's Review Engagement Report

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, 2021, 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, 2021, 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

August 9, 2022
Vancouver, B.C.

SERVICE

INTEGRITY

TRUST



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TRIATHLON BRITISH COLUMBIA

Statement of Financial Position

As at December 31, 2021

	Note	General Fund	Reserve Fund	Capital Asset Fund	December 31, 2021	December 31, 2020
		\$	\$	\$	\$	\$
ASSETS						
CURRENT						
Cash and term deposits	3	777,512	46,482	-	823,994	748,890
Accounts receivable		11,855	-	-	11,855	379
Interest receivable		1,420	-	-	1,420	2,488
GST receivable		2,481	-	-	2,481	2,408
Government subsidy receivable	12	-	-	-	-	6,770
Inventory		1,256	-	-	1,256	2,513
Prepaid expenses		7,257	-	-	7,257	7,257
		801,781	46,482	-	848,263	770,705
Property and equipment	4	-	-	3,183	3,183	4,513
TOTAL ASSETS		801,781	46,482	3,183	851,446	775,218
LIABILITIES						
CURRENT						
Accounts payable and accrued liabilities		21,875	-	-	21,875	14,670
Deferred revenue	5	44,767	-	-	44,767	72,944
		66,642	-	-	66,642	87,614
FUND BALANCES						
Invested in capital assets	4	-	-	3,183	3,183	4,513
Internally restricted	10	-	46,482	-	46,482	46,482
Unrestricted		735,139	-	-	735,139	636,609
		735,139	46,482	3,183	784,804	687,604
TOTAL LIABILITIES AND FUND BALANCES		801,781	46,482	3,183	851,446	775,218

Approved on behalf of the Board of Directors:

“Allan Prazsky”
Allan Prazsky, Executive Director

“Stewart Scott”
Stewart Scott, Treasurer



TRIATHLON BRITISH COLUMBIA

Statement of Operations

For the Year Ended December 31, 2021

	Note	General Fund \$	Reserve Fund \$	Capital Asset Fund \$	December 31, 2021 \$	December 31, 2020 \$
REVENUE						
General fund	6	337,266	-	-	337,266	309,299
EXPENSES						
Administration	7	167,843	-	-	167,843	215,199
Amortization	4	-	-	1,330	1,330	2,290
Athlete development	8	103,116	-	-	103,116	69,292
Membership services	9	9,562	-	-	9,562	23,992
		280,521	-	1,330	281,851	310,773
OTHER ITEM						
Government subsidy income	12	41,785	-	-	41,785	66,967
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES						
		98,530	-	(1,330)	97,200	65,493



TRIATHLON BRITISH COLUMBIA

Statement of Changes in Fund Balances

For the Year Ended December 31, 2021

	General Fund \$	Reserve Fund \$	Capital Asset Fund \$	December 31, 2021 \$	December 31, 2020 \$
FUND BALANCES, BEGINNING OF THE YEAR	636,609	46,482	4,513	687,604	622,111
Inter-Fund Transfers	-	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	98,530	-	(1,330)	97,200	65,493
FUND BALANCES, END OF THE YEAR	735,139	46,482	3,183	784,804	687,604



TRIATHLON BRITISH COLUMBIA

Statement of Cash Flows

For the Year Ended December 31, 2021

	December 31, 2021 \$	December 31, 2020 \$
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net excess of revenue over expenditures	97,200	65,493
Item not affecting cash:		
Amortization	1,330	2,290
	<u>98,530</u>	<u>67,783</u>
Changes in non-cash working capital items:		
Accounts receivable	(11,476)	23,480
Interest receivable	1,068	1,099
GST receivable	(73)	2,518
Government subsidy receivable	6,770	(6,770)
Inventory	1,257	919
Prepaid expenses	-	(1,213)
Property and equipment	-	(1,560)
Accounts payable and accrued liabilities	7,205	(11,271)
Deferred revenue	(28,177)	45,840
	<u>75,104</u>	<u>120,825</u>
INCREASE IN CASH FROM OPERATING ACTIVITIES	75,104	120,825
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>748,890</u>	<u>628,065</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>823,994</u>	<u>748,890</u>



TRIATHLON BRITISH COLUMBIA

Notes to the Financial Statements

For the Year Ended December 31, 2021

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 2021 deferred revenue has been deferred to 2022.

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, 2021

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, 2021	December 31, 2020
	\$	\$
Cash at bank	217,345	145,522
Term deposits	606,649	603,368
	<u>823,994</u>	<u>748,890</u>

Restricted Cash

Included in cash is \$1,032 (2020 - \$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, 2021	December 31, 2020
	\$	\$	\$	\$
Computer Equipment	13,206	11,422	1,784	2,973
Software	1,560	304	1,256	1,326
Equipment	3,697	3,680	17	24
Office Equipment	3,228	3,102	126	190
	<u>21,691</u>	<u>18,508</u>	<u>3,183</u>	<u>4,513</u>

NOTE 5 - DEFERRED REVENUE

	December 31, 2021	December 31, 2020
	\$	\$
Membership fees	18,417	11,498
Events	26,350	61,446
	<u>44,767</u>	<u>72,944</u>

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TRIATHLON BRITISH COLUMBIA

Notes to the Financial Statements

For the Year Ended December 31, 2021

NOTE 6 - REVENUE

	December 31, 2021	December 31, 2020
	\$	\$
Events	8,284	4,152
Grants	214,040	217,240
Membership fees	90,261	68,152
Sponsorship	22,131	14,256
Interest	3,456	5,612
Advertising	150	150
Clothing (net of cost of sales)	(1,056)	(263)
	<u>337,266</u>	<u>309,299</u>

NOTE 7 - ADMINISTRATION

Professional fees	10,000	8,500
Advertising	74	453
Board and Annual General meetings	902	815
Office	10,833	12,345
Rent	16,800	19,232
Travel	174	129
Salaries and contractors	126,540	166,668
Sponsorship	1,564	747
Bank charges	534	432
Sport development	422	2,848
Bad debts	-	3,030
	<u>167,843</u>	<u>215,199</u>

NOTE 8 - ATHLETE DEVELOPMENT

Event expenses	6,324	3,105
Grants used	95,775	64,662
Office and communication	1,017	1,525
	<u>103,116</u>	<u>69,292</u>

NOTE 9 - MEMBERSHIP SERVICES

Affiliations	1,050	1,350
Insurance	5,850	15,559
Newsletter	1,555	7,099
Officiating	25	(113)
Virtual Events	862	-
Office and communication	145	97
Safe Sport	75	-
	<u>9,562</u>	<u>23,992</u>

TRIATHLON BRITISH COLUMBIA

Notes to the Financial Statements

For the Year Ended December 31, 2021

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, 2021 (2020 - \$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, 2021 (2020 - \$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, 2021 (2020 - \$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, 2021, the Association recognized a recovery compensation cost of \$35,175 (2020-\$57,853). As at December 31, 2021, an amount of \$Nil (2020-\$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 Subsidy

The Government of Canada also passed 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 the program and during the year ended December 31, 2021, the Association recognized a recovery rental expense of \$6,610 (2020-\$9,114). As at December 31, 2021, an amount of \$Nil (2020- \$1,673) was recognized as receivable related to CERS.

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

