

**Triathlon Canada
Financial Statements
Year Ended March 31, 2025**

Independent Auditor's Report

To the Directors of Triathlon Canada

Report on the Financial Statements

Opinion

We have audited the financial statements of Triathlon Canada (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in net assets and 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 Organization as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical 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 the financial statements in accordance with ASNPO, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)



Independent Auditor's Report to the Directors of Triathlon Canada (*continued*)

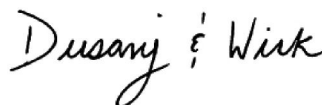
Auditor's Responsibilities for the Audit of the Financial Statements

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.

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 Organization'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 Organization'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 Organization 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.



Victoria, British Columbia
August 21, 2025

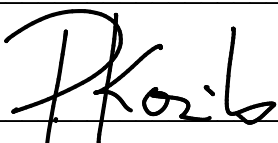
Chartered Professional Accountants

Triathlon Canada
Statement of Financial Position
March 31, 2025

	2025	2024
	\$	\$
Assets		
Current		
Cash and cash equivalents	431,956	361,585
Accounts receivable (Note 3)	50,812	281,436
Inventories	15,666	45,172
Prepaid expenses	32,122	121,623
	<u>530,556</u>	<u>809,816</u>
Capital assets (Note 4)	18,000	19,102
Total assets	<u>548,556</u>	<u>828,918</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	130,120	128,589
Deferred revenue (Note 6)	205,978	511,441
Total liabilities	<u>336,098</u>	<u>640,030</u>
Net Assets		
Unrestricted	<u>212,458</u>	<u>188,888</u>
Total liabilities and net assets	<u>548,556</u>	<u>828,918</u>

On behalf of the Board


 _____ Director


 _____ Director

Triathlon Canada
Statement of Operations and Changes in Net Assets
Year Ended March 31, 2025

	2025	2024
	\$	\$
Revenue		
Grants (<i>Note 7</i>)	1,999,685	2,018,906
Participation teams	317,884	393,808
Memberships and fees	195,404	235,021
Sponsorships	102,997	86,078
National Triathlon Centre	9,793	14,000
Gain on sale of capital assets	8,873	-
Donations	8,283	105,630
Interest and other contributions	6,805	14,200
	<u>2,649,724</u>	<u>2,867,643</u>
Expenses		
Performance program	1,163,110	1,375,664
Sustainability and administrative expenses	1,096,767	1,008,187
Technical and events	206,641	321,232
Age group programs	159,636	200,488
	<u>2,626,154</u>	<u>2,905,571</u>
Net excess (deficiency) of revenue over expenses	23,570	(37,928)
Net assets - beginning of year	<u>188,888</u>	<u>226,816</u>
Net assets - end of year	<u>212,458</u>	<u>188,888</u>

The accompanying notes are an integral part of these financial statements

Triathlon Canada
Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses	23,570	(37,928)
Items not affecting cash:		
Amortization of capital assets	21,819	34,989
Gain on sale of capital assets	(8,873)	-
	<u>36,516</u>	<u>(2,939)</u>
Changes in non-cash working capital:		
Accounts receivable	230,624	(87,303)
Inventories	29,506	29,600
Prepaid expenses	89,501	(42,924)
Accounts payable and accrued liabilities	1,531	(73,445)
Deferred revenue	(305,463)	(138,912)
	<u>45,699</u>	<u>(312,984)</u>
Cash flow from (used by) operating activities	<u>82,215</u>	<u>(315,923)</u>
Investing activities		
Purchase of capital assets	(20,717)	(4,051)
Proceeds on sale of capital assets	8,873	-
Cash flow used by investing activities	<u>(11,844)</u>	<u>(4,051)</u>
Increase (decrease) in cash and cash equivalents	70,371	(319,974)
Cash and cash equivalents - beginning of year	<u>361,585</u>	<u>681,559</u>
Cash and cash equivalents - end of year	<u>431,956</u>	<u>361,585</u>

The accompanying notes are an integral part of these financial statements

Triathlon Canada
Notes to Financial Statements
Year Ended March 31, 2025

1. Purpose of the Organization

Triathlon Canada (the "Organization") is the national federation for the sports of triathlon and other multisport events in Canada and is a member of World Triathlon, the international governing body for these sports.

Triathlon Canada was incorporated without share capital August 7, 1990 under the Canada Business Corporations Act. The Organization is a Registered Canadian Amateur Athletic Association as defined in the Income Tax Act, and is not subject to income taxes.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and includes the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include cash on hand and funds held in bank accounts.

Inventory

Inventories, consisting of uniforms on hand, are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Office equipment	3 years
Office furniture	5 years
Computer equipment	3 years
Computer database	3 years
Competition equipment	3 years
Leasehold improvements	Over the term of the lease
Training equipment	3 years

When a capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense

Intangible assets

Separately acquired intangible assets are recognized as an asset provided the cost can be measured reliably. The cost of a separately acquired intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. Intangible assets include the costs associated with the Organization's website and rebranding. The assets are amortized on a straight line basis over their estimated useful lives of 5 years.

(continues)

Triathlon Canada
Notes to Financial Statements
Year Ended March 31, 2025

2. Significant accounting policies (*continued*)

Revenue recognition

Triathlon Canada follows the deferral method of accounting for contributions.

Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable and collection is reasonably assured.

Memberships and fees, participation teams and National Triathlon Centre revenue 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.

Investment income, including dividends and interest, is recognized as revenue when it is earned.

Contributed materials and services:

Donated materials and services are recognized in the financial statements when a fair value can be reasonably established, when the materials and services are used in the normal course of operations and would otherwise have been purchased.

Volunteers and members contribute a significant number of hours per year to assist the Organization in carrying out its activities. Because of the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in excess (deficiency) of revenue over expenses in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Use of estimates

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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Triathlon Canada
Notes to Financial Statements
Year Ended March 31, 2025

3. Accounts receivable

Accounts receivable consists of the following:

	2025 \$	2024 \$
Trade accounts receivable	39,295	272,231
Public service body rebate receivable	11,517	9,205
	<u>50,812</u>	<u>281,436</u>

4. Capital assets

	2025		2024	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Office equipment	5,990	5,990	5,990	5,990
Office furniture	38,950	38,950	38,950	38,950
Computer equipment	65,791	56,273	58,828	49,745
Computer database	65,631	65,631	65,631	64,103
Competition equipment	155,730	147,248	156,281	147,790
Leasehold improvements	7,274	7,274	7,274	7,274
Training equipment	14,077	14,077	28,001	28,001
	<u>353,443</u>	<u>335,443</u>	<u>360,955</u>	<u>341,853</u>
Net book value		<u>18,000</u>		<u>19,102</u>

Amortization for the year amounted to \$21,819 (2024 - \$34,989) and is included in sustainability and administrative expenses.

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are amounts payable of \$12,750 (2024 - \$11,500) to local organizing committees and \$2,662 (2024 - \$1,513) related to government remittances.

6. Deferred revenue

Deferred revenue consists of the following:

	2025 \$	2024 \$
Age-group team fees and uniforms	143,645	118,731
Deferred grants	54,000	302,710
Other	8,333	90,000
	<u>205,978</u>	<u>511,441</u>

Triathlon Canada
Notes to Financial Statements
Year Ended March 31, 2025

7. Grants

A substantial portion of the Organization's total revenue is derived from Sport Canada and other funding agencies in the form of various operating grants. Grant revenue consists of the following:

	2025	2024
	\$	\$
Sport Canada:		
Sport Canada: Reference Level Funding	-	-
Triathlon	569,000	563,500
Enhanced Excellence - Triathlon	19,510	12,500
Enhanced Excellence - Paratriathlon	341,940	274,100
Medicine Support	113,550	122,400
Next Generation	75,000	68,000
Next Generation - Paratriathlon	27,500	25,000
Official Languages	14,500	14,500
Paratriathlon	-	5,500
Sport Hosting Program	150,000	280,000
Safe Sport and Gender Equity	-	20,000
Other Sport Canada Funding	-	82,106
	<u>1,311,000</u>	<u>1,467,606</u>
Canadian Olympic Committee	6,000	203,500
COF - Next Generation	75,000	-
Canadian Paralympic Committee	12,500	-
Canadian Paralympic Committee - Enhanced Excellence	43,022	110,000
Canadian Paralympic Committee - Next Generation	27,500	25,000
Canadian Red Cross Society	209,115	59,320
94 Forward Commonwealth Legacy	-	145,530
Coaching Association of Canada	3,000	7,950
COC NSO Enhancement	90,000	-
NSO GE-EDI	28,690	-
CSAI	91,904	-
Edmonton legacy trust	95,000	-
Other	6,954	-
	<u>1,999,685</u>	<u>2,018,906</u>

(continues)

Triathlon Canada
Notes to Financial Statements
Year Ended March 31, 2025

7. Grants (continued)

The following table provides a reconciliation of Sport Canada funding received in the fiscal 2025 year:

	2025 \$
Sport Canada funding received for the year ended March 31, 2025	1,311,000
Sport Canada fiscal 2025 funding recognized as revenue	<u>(1,311,000)</u>
Deferred Sport Canada funding for the fiscal year ending March 31, 2026	<u>-</u>

8. Contributed materials and services

During fiscal 2025, the Organization received \$75,000 (2024 - \$75,000) of contributed materials and services consisting of leased premises and uniforms, these amounts are recognized within the Statement of Operations and Changes in Net Assets.

9. Financial instruments

The Organization 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 Organization's risk exposure and concentration as of March 31, 2025.

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's main credit risk relates to accounts receivable. Management monitors credit exposure on a specific creditor basis. There has been no change in the assessment of credit risk from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity 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.

It is management's opinion that the Organization is not exposed to significant interest risk or foreign exchange.