

**ALBERTA TRIATHLON ASSOCIATION
(OPERATING AS TRIATHLON ALBERTA)**

Financial Statements

For The Year Ended March 31, 2018

(Unaudited)

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors 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 March 31, 2018 and the statements of operations, changes in net assets 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 these financial statements do not present fairly, in all material respects, the financial position of Alberta Triathlon Association (o/a Triathlon Alberta) as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Alberta Triathlon Association (o/a Triathlon Alberta) as at and for the year ended March 31, 2017 were reviewed by another practitioner who expressed an unqualified conclusion on those financial statements dated June 27, 2017.

METRIX GROUP LLP

Chartered Professional Accountants

October 23, 2018
Edmonton, Alberta

TRIATHLON ALBERTA
Statement of Financial Position
As At March 31, 2018
(Unaudited)

	2018	2017
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 2)</i>	\$ 167,527	\$ 86,180
Interest receivable	-	992
Prepaid expenses	<u>16,702</u>	<u>4,154</u>
	184,229	91,326
TANGIBLE CAPITAL ASSETS <i>(Note 3)</i>	1,342	7,824
INTANGIBLE ASSETS <i>(Note 4)</i>	<u>-</u>	<u>1,575</u>
	\$ 185,571	\$ 100,725
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities <i>(Note 5)</i>	\$ 11,643	\$ 8,183
Deposits	8,600	15,000
Deferred membership fees	81,493	50,149
Deferred contributions <i>(Note 6)</i>	<u>48,456</u>	<u>15,243</u>
	150,192	88,575
NET ASSETS		
Unrestricted net assets	34,037	2,751
Investment in tangible capital and intangible assets	<u>1,342</u>	<u>9,399</u>
	35,379	12,150
	\$ 185,571	\$ 100,725

ON BEHALF OF THE BOARD:

_____ *Director*

_____ *Director*

TRIATHLON ALBERTA
Statement of Operations
For The Year Ended March 31, 2018
(Unaudited)

	2018	2017
REVENUE		
Membership fees	\$ 148,629	\$ 178,798
Grants <i>(Note 6)</i>	88,713	108,759
Casino <i>(Note 6)</i>	35,248	-
Race fees	31,577	18,340
Other	12,663	33,625
Athlete development	3,025	3,724
	<u>319,855</u>	<u>343,246</u>
EXPENSES		
Salaries, wages and benefits	133,421	150,384
Athlete development	40,443	52,918
Insurance	26,485	39,558
Race and technical	24,250	42,405
Professional fees	19,078	16,752
Office	15,433	33,375
Membership fees	15,121	15,346
Meetings	14,545	38,601
Advertising and promotion	5,445	26,901
Professional development	3,114	423
Coaching	2,627	20,295
Telephone and internet	2,441	3,248
Amortization of tangible capital and intangible assets	2,188	2,869
Bank charges	358	5,139
Committees	200	4,409
Casino	-	637
	<u>305,149</u>	<u>453,260</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER INCOME	14,706	(110,014)
OTHER INCOME		
Gain on disposal of tangible capital assets	8,523	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 23,229	\$ (110,014)

TRIATHLON ALBERTA
Statement of Changes in Net Assets
For The Year Ended March 31, 2018
(Unaudited)

	Unrestricted net assets	Investment in tangible capital and intangible assets	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 2,751	\$ 9,399	\$ 12,150	\$ 122,164
Excess (deficiency) of revenue over expenses	23,229	-	23,229	(110,014)
Amortization of tangible and intangible capital assets	2,188	(2,188)	-	-
Purchase of tangible capital assets	(418)	418	-	-
Gain on disposal of tangible capital assets	(8,523)	8,523	-	-
Proceeds on disposal of tangible capital assets	14,810	(14,810)	-	-
NET ASSETS - END OF YEAR	\$ 34,037	\$ 1,342	\$ 35,379	\$ 12,150

TRIATHLON ALBERTA
Statement of Cash Flows
For The Year Ended March 31, 2018
(Unaudited)

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 23,229	\$ (110,014)
Items not affecting cash and cash equivalents:		
Amortization of tangible capital and intangible assets	2,188	2,869
Gain on disposal of tangible capital assets	<u>(8,523)</u>	<u>-</u>
	<u>16,894</u>	<u>(107,145)</u>
Changes in non-cash working capital:		
Accounts receivable	-	4,081
Interest receivable	992	(992)
Prepaid expenses	<u>(12,548)</u>	<u>23,564</u>
Accounts payable and accrued liabilities	3,460	(24,369)
Deposits	<u>(6,400)</u>	<u>15,000</u>
Deferred membership fees	31,344	13,016
Deferred contributions	<u>33,213</u>	<u>(11,290)</u>
	<u>50,061</u>	<u>19,010</u>
	<u>66,955</u>	<u>(88,135)</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	<u>(418)</u>	<u>-</u>
Proceeds on disposal of tangible capital assets	<u>14,810</u>	<u>-</u>
	<u>14,392</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	81,347	(88,135)
Cash and cash equivalents - beginning of year	<u>86,180</u>	<u>174,315</u>
CASH AND CASH EQUIVALENTS - END OF YEAR <i>(Note 2)</i>	\$ 167,527	\$ 86,180

TRIATHLON ALBERTA
Notes to Financial Statements
March 31, 2018
(Unaudited)

NATURE OF OPERATIONS

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 and are subject to an insignificant risk of change in value.

Cash and cash equivalents consists of operating and casino bank accounts, as well as a Guaranteed Investment Certificate.

Tangible capital assets

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

Furniture and fixtures	20%	declining balance method
Computer equipment	45% & 55%	declining balance method
Computer software	100%	declining balance method
Race equipment	20%	declining balance method

The Association regularly reviews its tangible capital assets to eliminate obsolete items.

Half year amortization is taken in the year of acquisition and no amortization is taken in the year of disposition.

Intangible assets

Intangible assets consists of website development. Intangible assets are measured at cost less accumulated amortization and are amortized using the straight-line method over the estimated useful life of 5 years.

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)

TRIATHLON ALBERTA
Notes to Financial Statements
March 31, 2018
(Unaudited)

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 policy

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 and interest receivable.

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

The Association has no financial assets or liabilities 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 intangible assets 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.

TRIATHLON ALBERTA
Notes to Financial Statements
March 31, 2018
(Unaudited)

2. CASH AND CASH EQUIVALENTS

	2018	2017
Operating bank account	\$ 114,314	\$ 25,662
Casino bank account <i>(Note 6)</i>	33,213	-
Guaranteed Investment Certificate	20,000	60,518
	\$ 167,527	\$ 86,180

The Guaranteed Investment Certificate earns interest at 0.65% and matures August 18, 2020.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Furniture and fixtures	\$ 6,045	\$ 5,073	\$ 972	\$ 1,215
Computer equipment	18,751	18,381	370	322
Computer software	7,543	7,543	-	-
Race equipment	-	-	-	6,287
	\$ 32,339	\$ 30,997	\$ 1,342	\$ 7,824

4. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Website	\$ 14,597	\$ 14,597	\$ -	\$ 1,575

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government payroll remittances of \$2,405 (2017 - \$3,072).

TRIATHLON ALBERTA
Notes to Financial Statements
March 31, 2018
(Unaudited)

6. DEFERRED CONTRIBUTIONS

	2018	2017
Balance, beginning of year	\$ 15,243	\$ 26,533
Add: Grants received	88,713	97,469
Casino funds received	68,461	-
	172,417	124,002
Less: Grants recognized as revenue:		
Alberta Sport Connection:		
Association development	(55,838)	(55,838)
Canada Summer Games	(22,000)	(21,000)
Provincial coach development	(8,875)	(8,875)
Zone development - Alberta Summer Games	(2,000)	(4,500)
Donation fund program	-	(3,546)
Other grants	-	(15,000)
Casino funds recognized as revenue	(35,248)	-
Total contributions recognized as revenue	(123,961)	(108,759)
Balance, end of year	\$ 48,456	\$ 15,243
Balance, end of year is comprised of:		
Deferred casino funds	\$ 33,213	\$ -
Deferred grants	15,097	15,097
Other	146	146
	\$ 48,456	\$ 15,243

7. 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 March 31, 2018.

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, Alberta Sport Connection and other related sources and accounts payable and accrued liabilities.

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.