

ATHLETICS ONTARIO
(A corporation without share capital)

FINANCIAL STATEMENTS

March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Athletics Ontario
(A corporation without share capital).

Opinion

We have audited the financial statements of Athletics Ontario (the "Corporation"), which comprise the statement of financial position as at March 31, 2020, and the statements of income and expenditures, members' equity 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 Athletics Ontario as at March 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.

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 Corporation in accordance with the 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 and directors are responsible for the preparation and fair presentation of the 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.

In preparing these financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT (cont'd)

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 Corporation'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 Corporation'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 Corporation 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.

Milton, Ontario,
October 5, 2020.

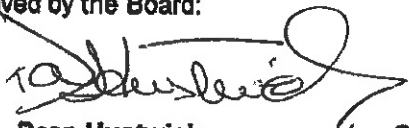
Jurnbull, Thompson
**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**


ATHLETICS ONTARIO
(A corporation without share capital)
STATEMENT OF FINANCIAL POSITION

March 31	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 895,437	\$ 796,306
Accounts receivable	68,752	78,848
Inventory	24,814	22,090
Prepaid expenses	13,980	7,928
	<u>\$ 1,002,983</u>	<u>\$ 905,172</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 147,692	\$ 129,119
Government sales taxes payable	40,509	42,103
Deferred revenue (note 3)	209,417	207,106
	<u>397,618</u>	<u>378,328</u>
MEMBERS' EQUITY	<u>605,365</u>	<u>526,844</u>
CONTINGENCIES (note 4)		
	<u>\$ 1,002,983</u>	<u>\$ 905,172</u>

See accompanying notes on pages 7 to 9.

Approved by the Board:


Dean Hustwick
 Chair


Scott Currier
 Treasurer

ATHLETICS ONTARIO
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STATEMENT OF MEMBERS' EQUITY

For the Year Ended March 31	2020	2019
MEMBERS' EQUITY, beginning of year	\$ 526,844	\$ 504,313
Excess of income over expenditures, for the year	<u>78,521</u>	<u>22,531</u>
MEMBERS' EQUITY, end of year	\$ 605,365	\$ 526,844

See accompanying notes on pages 7 to 9.

ATHLETICS ONTARIO**(A corporation without share capital)****STATEMENT OF INCOME AND EXPENDITURES**

For the Year Ended March 31	2020	2019
INCOME		
Membership	\$ 427,505	\$ 404,937
Events and services	530,728	333,842
Grants	415,416	487,161
Interest	2,650	1,006
	1,376,299	1,226,946
EXPENDITURES		
Fees and general expenses	571,975	598,645
Events and services	725,803	605,770
	1,297,778	1,204,415
EXCESS OF INCOME OVER EXPENDITURES, for the year	\$ 78,521	\$ 22,531

See accompanying notes on pages 7 to 9.

ATHLETICS ONTARIO
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STATEMENT OF CASH FLOWS

For the Year Ended March 31	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of income over expenditures, for the year	\$ 78,521	\$ 22,531
Change in other non-cash operating accounts:		
Accounts receivable	10,096	(44,018)
Deferred revenue	2,311	11,030
Inventory	(2,724)	(14,639)
Prepaid expenses	(6,052)	25,759
Accounts payable and accrued liabilities	18,573	23,191
Government sales taxes	(1,594)	10,750
	20,610	12,073
	99,131	34,604
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in short-term investments	-	150,000
INCREASE IN CASH, for the year	99,131	184,604
CASH, beginning of year	796,306	611,702
CASH, end of year	\$ 895,437	\$ 796,306

See accompanying notes on pages 7 to 9.

ATHLETICS ONTARIO
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NOTES TO THE FINANCIAL STATEMENTS
March 31, 2020

1. PURPOSE OF THE ORGANIZATION

Athletics Ontario (formerly known as The Ontario Track & Field Association) is an organization which promotes amateur athletics by assisting athletes to train for and compete in athletic competitions held throughout Ontario, Canada and the world in all track and field sports and to arrange courses of instruction in all aspects of track and field sports for athletes, officials and other interested persons.

For income tax purposes Athletics Ontario qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are:

a) Revenue Recognition

The association follows the deferral method of accounting for grant revenue. Unrestricted grants are recognized as revenue when received or receivable. Externally restricted grants are recognized as revenue in the year in which the related expenses are incurred. Registration fees are prorated on a calendar year basis.

b) Capital Assets

Capital asset additions are charged against income at the time of acquisition.

c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

d) Financial Instruments

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate or credit risks arising from its financial instruments. The organization's financial instruments consist of cash, accounts receivable, inventory and accounts payable and accrued liabilities. As at March 31, 2020, the carrying value of the organization's financial instruments approximates their fair value.

ATHLETICS ONTARIO
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NOTES TO THE FINANCIAL STATEMENTS
March 31, 2020

3. DEFERRED REVENUE

	March 31 2019 Deferred	Registration and Subscription Receipts	Registration and Subscription Income	March 31 2020 Deferred
REGISTRATION				
Beginning of year April 1, 2019 to November 30, 2019	\$ 207,106	\$ -	\$ 207,106	\$ -
December 1, 2019 to March 31, 2020	-	112,318	112,318	-
	-	279,223	69,806	209,417
	\$ 207,106	\$ 391,541	\$ 389,230	\$ 209,417

4. CONTINGENCIES

The organization is currently defending two claims which are being handled by the organization's insurer. When the claims are settled any expenses incurred on the settlements will be charged to the appropriate expense in the statement of income and expenditures in that fiscal year.

5. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. In Canada, the Government of Ontario declared a state of emergency under S 7.0.1 (1) of the Emergency Management and Civil Protection Act on March 17, 2020 with respect to COVID-19. The emergency measures enacted to combat the spread of the virus included the implementation of travel bans, self-imposed quarantine periods and social distancing, which have caused material disruption to businesses globally resulting in an economic slowdown. This has caused a business disruption to the organization through mandated closures of inside and outside events/meets during the summer months. The impact of COVID-19 is expected to negatively impact the organization's membership and operating revenues. As of the date of these financial statements, the extent to which COVID-19 impacts the organization's results will depend on future developments, which are highly uncertain and cannot be predicted and are dependent upon new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.

The organization has however applied to the various available government subsidy programs to try to mitigate the current effects of COVID-19.

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March 31, 2020

6. COMMITMENT

The association has a contractual obligation for a rental lease of their premises until June 30, 2021 for \$27,500 per year.

7. FINANCIAL INSTRUMENTS - risk management

Interest rate risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates. The association is not exposed to this risk as its cash balances are on deposit at a major financial institution.

Credit risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. The corporation places its operating and reserve cash and investments with high quality institutions and believes its exposure is not significant. The association's credit risk from accounts receivable is not significant.

Liquidity risk

Liquidity risk is the risk that the association will not be able to meet its obligations as they become due. The association manages this risk by establishing budgets and funding plans and by reviewing its membership fees annually to fund its operating expenses.