

**ATHLETICS ONTARIO**  
**(A corporation without share capital)**

**FINANCIAL STATEMENTS**

**March 31, 2021**

**ATHLETICS ONTARIO**  
**(A corporation without share capital)**

**FINANCIAL STATEMENTS**

**March 31, 2021**

---

**INDEX**

	Page
Independent Auditor's Report to the Members	1 and 2
Statement of Financial Position	3
Statement of Members' Equity	4
Statement of Income and Expenditures	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 to 10

**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, 2021, 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, 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.

***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,  
July 27, 2021.

  
**CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS**

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

March 31	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,143,691	\$ 895,437
Accounts receivable	35,371	68,752
Inventory	23,873	24,814
Prepaid expenses	4,286	13,980
	<b>\$ 1,207,221</b>	<b>\$ 1,002,983</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 55,976	\$ 147,692
Government sales taxes payable	19,429	40,509
CEBA bank loan payable (note 5)	60,000	-
Deferred revenue (note 3)	296,621	209,417
	<b>432,026</b>	<b>397,618</b>
<b>MEMBERS' EQUITY</b>	<b>775,195</b>	<b>605,365</b>
<b>CONTINGENCIES (note 4)</b>		
	<b>\$ 1,207,221</b>	<b>\$ 1,002,983</b>

See accompanying notes on pages 7 to 10.

Approved by the Board:

**Dean Hustwick**  
Chair

**Scott Currier**  
Treasurer

**ATHLETICS ONTARIO**  
**(A corporation without share capital)**  
**STATEMENT OF MEMBERS' EQUITY**

<b>For the Year Ended March 31</b>	<b>2021</b>	<b>2020</b>
<b>MEMBERS' EQUITY, beginning of year</b>	<b>\$ 605,365</b>	<b>\$ 526,844</b>
Excess of income over expenditures, for the year	<u>169,830</u>	<u>78,521</u>
<b>MEMBERS' EQUITY, end of year</b>	<b>\$ 775,195</b>	<b>\$ 605,365</b>

See accompanying notes on pages 7 to 10.

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

For the Year Ended March 31	2021	2020
<b>INCOME</b>		
Membership	\$ 351,843	\$ 427,505
Events and services	72,918	530,728
Grants	392,803	415,416
Interest	-	2,650
Canada Emergency Wage Subsidy (note 5)	170,217	-
	<b>987,781</b>	<b>1,376,299</b>
<b>EXPENDITURES</b>		
Fees and general expenses	599,403	571,975
Events and services	218,548	725,803
	<b>817,951</b>	<b>1,297,778</b>
<b>EXCESS OF INCOME</b>		
<b>OVER EXPENDITURES, for the year</b>	<b>\$ 169,830</b>	<b>\$ 78,521</b>

See accompanying notes on pages 7 to 10.

**ATHLETICS ONTARIO**  
**(A corporation without share capital)**  
**STATEMENT OF CASH FLOWS**

For the Year Ended March 31	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of income over expenditures, for the year	\$ 169,830	\$ 78,521
Change in other non-cash operating accounts:		
Accounts receivable	33,381	10,096
Deferred revenue	87,204	2,311
Inventory	941	(2,724)
Prepaid expenses	9,694	(6,052)
Accounts payable and accrued liabilities	(91,716)	18,573
CEBA bank loan payable (note 5)	60,000	
Government sales taxes	(21,080)	(1,594)
	78,424	20,610
	248,254	99,131
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>INCREASE IN CASH, for the year</b>	<b>248,254</b>	<b>99,131</b>
<b>CASH, beginning of year</b>	<b>895,437</b>	<b>796,306</b>
<b>CASH, end of year</b>	<b>\$ 1,143,691</b>	<b>\$ 895,437</b>

See accompanying notes on pages 7 to 10.



**ATHLETICS ONTARIO**  
**(A corporation without share capital)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2021**

---

**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, 2021, the carrying value of the organization's financial instruments approximates their fair value.

**ATHLETICS ONTARIO**  
**(A corporation without share capital)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2021**

**3. DEFERRED REVENUE**

	March 31 2020 Deferred	Grant Revenue	Grant Expenditure	March 31 2021 Deferred
<b>GRANT</b>				
MHSTCI - Federal	\$ -	\$ 9,298	\$ -	\$ 9,298
MHSTCI - Provincial	-	71,428	-	71,428
OHPSI	-	126,900	79,180	47,720
	-	\$ 207,626	\$ 79,180	128,446

**OTHER**

Master funds	-	\$ 49,460	\$ 4,000	45,460
--------------	---	-----------	----------	--------

**REGISTRATION**

	March 31 2020 Deferred	Registration and Subscription Receipts	Registration and Subscription Income	March 31 2021 Deferred
Beginning of year April 1, 2020 to November 30, 2020	209,417	\$ -	\$ 209,417	-
December 1, 2020 to March 31, 2021	-	82,546	82,546	-
	-	163,620	40,905	122,715
	209,417	\$ 246,166	\$ 332,868	122,715
	\$ 209,417			\$ 296,621

**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.

**ATHLETICS ONTARIO**  
**(A corporation without share capital)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2021**

---

**5. PANDEMIC AND GOVERNMENT SUPPORT PROGRAMS**

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 Sec. 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 significant business disruption to the organization with some restrictions caused by social distancing. There is considerable uncertainty around the duration of these restrictions. The impact of COVID-19 is expected to continue to negatively impact the organization's revenues and member base. 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 Canadian government has implemented support programs for charities with the intent to reduce the impact of revenue declines. Management has determined that the organization has qualified for the Canada Emergency Wage Subsidy - a wage subsidy provided to employers that experienced a legislated minimum revenue decline and continued to compensate their employees; and the Canada Emergency Business Account - a loan from the organization's financial institution for \$60,000 that is non-interest bearing until December 31, 2022 and to which a grant may be allowed of up to \$20,000 provided the loan proceeds are used for qualified expenditures and the loan is repaid before December 31, 2022. The grant will be recorded in the year the loan is repaid.

For the current fiscal year the calculated wage subsidy for the organization amounted to \$170,217.

**6. COMMITMENT**

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

**ATHLETICS ONTARIO**  
**(A corporation without share capital)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2021**

---

**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.