

**ATHLETICS ONTARIO
FINANCIAL STATEMENTS**

March 31, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT

To the Members of Athletics Ontario:

Opinion

We have audited the financial statements of Athletics Ontario (the "Corporation"), which comprise the statement of financial position as at March 31, 2023, 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, 2023, 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 18, 2023

**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**



CHARTERED PROFESSIONAL ACCOUNTANTS



ATHLETICS ONTARIO
STATEMENT OF FINANCIAL POSITION

March 31	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,005,874	\$ 1,588,873
Short-term investments (note 2)	500,000	-
Accounts receivable	16,842	206,110
Inventory	58,247	21,429
Prepaid expenses	7,676	7,247
	\$ 1,588,639	\$ 1,823,659
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 49,411	\$ 117,170
Government sales taxes payable	57,315	26,779
CEBA bank loan payable	60,000	60,000
Deferred revenue (note 3)	520,481	784,726
	687,207	988,675
MEMBERS' EQUITY	901,432	834,984
CONTINGENCIES (note 4)		
	\$ 1,588,639	\$ 1,823,659

See accompanying notes on pages 7 to 9.

Approved by the Board:


Dean Hustwick
Chair


Lindsay Harrington
Treasurer

ATHLETICS ONTARIO
STATEMENT OF MEMBERS' EQUITY

For the Year Ended March 31	2023	2022
MEMBERS' EQUITY , beginning of year	\$ 834,984	\$ 775,195
Excess of income over expenditures, for the year	<u>66,448</u>	<u>59,789</u>
MEMBERS' EQUITY , end of year	\$ 901,432	\$ 834,984

See accompanying notes on pages 7 to 9.

ATHLETICS ONTARIO

STATEMENT OF INCOME AND EXPENDITURES

For the Year Ended March 31	2023	2022
INCOME		
Membership	\$ 544,189	\$ 462,315
Events and services	615,831	264,073
Grants	1,103,121	810,061
Interest	7,184	-
Canada Emergency Wage Subsidy	-	104,120
	2,270,325	1,640,569
EXPENDITURES		
Fees and general expenses	1,282,516	716,068
Events and services	921,361	864,712
	2,203,877	1,580,780
SURPLUS OF INCOME OVER EXPENDITURES, for the year	\$ 66,448	\$ 59,789

See accompanying notes on pages 7 to 9.

ATHLETICS ONTARIO
STATEMENT OF CASH FLOWS

For the Year Ended March 31

2023

2022

CASH FLOWS FROM OPERATING ACTIVITIES

Excess of income over expenditures,
for the year

\$ 66,448 \$ 59,789

Change in other non-cash operating accounts:

Accounts receivable

189,268 (170,739)

Deferred revenue

(264,245) 488,105

Inventory

(36,818) 2,444

Prepaid expenses

(429) (2,961)

Accounts payable and accrued liabilities

(67,759) 61,194

Government sales taxes

30,536 7,350

(149,447) 385,393

(82,999) 445,182

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in short-term investments

(500,000) -

INCREASE IN CASH, for the year

(582,999) 445,182

CASH, beginning of year

1,588,873 1,143,691

CASH, end of year

\$ 1,005,874 \$ 1,588,873

See accompanying notes on pages 7 to 9.

ATHLETICS ONTARIO
(A corporation without share capital)
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

1. PURPOSE OF THE ORGANIZATION

Athletics Ontario (formerly known as The Ontario Track & Field Association, "the 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.

Athletics Ontario was incorporated without share capital under the The Corporations Act of Ontario on October 7, 1977. For income tax purposes, the association 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) Short-Term Investments

Short-term investments are measured at fair value and consist of redeemable guaranteed investment certificates maturing at various times over the next fiscal year.

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.

ATHLETICS ONTARIO
(A corporation without share capital)
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2023

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, 2023, the carrying value of the organization's financial instruments approximates their fair value.

3. DEFERRED REVENUE

	March 31 2022 Deferred	Grant Revenue	Grant Expenditure	March 31 2023 Deferred
GRANT				
MHSTCI - Provincial	564,542	-	339,592	224,950
OTHER				
Master funds	35,460	\$ -	\$ 10,000	25,460
REGISTRATION				
Beginning of year	184,724	\$ -	\$ 184,724	-
April 1, 2022 to				
November 30, 2022	-	211,483	211,483	-
December 1, 2022 to				
March 31, 2023	-	360,094	90,023	270,071
	184,724	\$ 571,577	\$ 486,230	270,071
	<u>\$ 784,726</u>			<u>\$ 520,481</u>

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, 2023

5. COMMITMENT

The association has a contractual obligation for a rental lease of their premises commencing July 2021 for \$2,293 per month.

6. 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.